

UNC Workgroup 0450 Agenda
Monthly revision of erroneous SSP AQs outside the User AQ
Review Period

Tuesday 09 April 2013

at Consort House, 6 Homer Road, Solihull, B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Helen Cuin (Secretary)	(HCu)	Joint Office of Gas Transporters
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andrew Margan*	(AM)	British Gas
Andrea Varkonyi	(AV)	First Utility
Andy Clasper	(AC)	National Grid Distribution
Anne Jackson*	(AJ)	SSE
Colette Baldwin	(CB)	E.ON UK
David Mitchell	(DM)	Scotia Gas Networks
Edward Hunter	(EH)	RWE npower
Erika Melén	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye Associates
Hilary Chapman	(HCh)	Xoserve
Huw Comerford	(HC)	Utilita
Lorna Lewin	(LL)	DONG Energy
Steve Mulinganie*	(SM)	Gazprom
Steve Nunnington	(SN)	Xoserve

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0450/090413

The Workgroup Report is due to the UNC Modification Panel on 19 September 2013.

1.0 Outline of Modification and initial discussion

AV introduced the modification and its intent. She explained that changes in the market are seeing an increased number of small supply points not being able to review AQs throughout the year and this places a risk on smaller suppliers, as their portfolio is not sufficiently large enough to spread the risk. AV reported that a number of supply points, that transfer supplier, with insufficient read history to challenge the AQ are later found to have an inaccurate AQ, however the rules do not allow the AQ to be amended. The modification has been raised to allow the revision of AQs outside the review period. She confirmed that the modification has been discussed with Xoserve to consider its feasibility and was deemed achievable.

2.0 Initial Discussion

SM questioned in terms of Xoserve resource support would this modification pose a risk to Project Nexus. SN believed the resources required could impact project Nexus if there was a need for a systemised solution. AV believed there were a number of solutions to be considered and that there would be a need for re-confirmations. It was envisaged that supply points would still reconcile through RbD. GE questioned if the sites could be treated as LSP for reconciliation.

AM asked if Xoserve anticipated significant system changes, SN believed there would be significant investment involved.

SM enquired about the feasibility of Xoserve providing an early high-level view on the likely costs, the modification's viability and impacts to the system.

The rationale for the 400 sites per shipper limit was questioned. AV explained the 400 site limit was suggested simply by looking at accounts to determine the extent of possible monthly anomalies with a volume cap, it was anticipated that the 400 site limit per Shipper would account for around 1% of the entire volume.

GE was fully supportive of finding a solution to correct erroneous data, he suggested any volumetric or system capability issue would be a secondary consideration. He believed any number of allowed changes would be better than the current inability to correct erroneous AQs. It was suggested that initially the Workgroup ought to establish from Xoserve the ability to manage the process change and look at the capability of a manual process and a systemised process.

SN suggested a ROM request is submitted to allow Xoserve to consider the possible solutions, volumetrics and the tipping point between a manual and a systemised solution.

The Workgroup expressed concern about the ROM holding up any developmental progress with the modification and asked Xoserve to provide a view as soon as possible. GE was keen not to delay the request of the ROM and believed in the first instance Xoserve could look at a manual process and the limits Xoserve could manage.

AM challenged if the allocation of 400 site cap would be sufficient for each organisation, he was concerned that the cap did not take into account the proportion of likely changes compared to the size of a Shipper portfolio. He suggested that British Gas would not be in a position to support a 400 cap per Shipper at the moment. AV appreciated the 400 cap may not be sufficient for larger portfolios such as British Gas, she asked if British Gas could provide an indication of a more feasible cap which would not be detrimental to implementation of the modification.

CB expressed a concern about the correct focus on amending AQs, she believed there ought to be a balance in the correction of AQs that are too low as well as too high to ensure a balance. This would reduce the possibility of gaming by simply adjusting high AQs.

SN wished to establish an initial view of implementation in the most effective way before the Workgroup considered any system/shipper limits to make the modification viable. He agreed to provide some indicative timescales to the Workgroup on the production of a ROM

AV believed that there were a number of issues for Xoserve to consider including; billing, reconciliation and backstop changes.

BF asked if there was enough detail in the modification for National Grid to provide the legal text or if National Grid would need a set of business rules. AC agreed to consider the detail in the modification and assess the need for business rules for the legal text.

The Workgroup agreed the need to progress a ROM and for parties to discuss any additional requirements offline with the proposer to ensure that any amendments required to the modification are captured before the next meeting.

Post meeting note:

HCh advised that a ROM is likely to take between 4 and 6 weeks to complete once it is requested.

3.0 Consider Terms of Reference

No issues were raised.

4.0 Any Other Business

None raised.

5.0 Diary Planning for Review Group

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

The next meeting will take place within the business proceedings of the Distribution Workgroup on:

Thursday 23 May 2013, at 10:30 ENA, 52 Horseferry Road, London SW1P 2AF

Thursday 27 June 2013, at 10:30 ENA, 52 Horseferry Road, London SW1P 2AF

Thursday 25 July 2013 at 10:30, Consort House, 6 Homer Road, Solihull, B91 3QQ

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update