

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

Thursday 26 June 2013

at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Andrea Varkonyi	(AV)	First Utility
Andrew Margan	(AM)	British Gas
Anne Jackson	(AJ)	SSE
Chris Hill	(CH)	Cornwall Energy
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
Edward Hunter	(EH)	RWE npower
Erika Melén	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye
Hilary Chapman	(HCh)	Xoserve
Huw Comerford	(HC)	Utilita
Marie Clark	(MC)	Scottish Power
Naomi Anderson	(NA)	EDF Energy
Robert Cameron-Higgs*	(RCH)	Wales & West Utilities
Tim Davis (Secretary)	(TD)	Joint Office
Tom Breckwoldt	(TB)	Gazprom Energy

* *via teleconference*

Copies of all papers are available at: www.gasgovernance.co.uk/0450/270613

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

1.0 Review of Minutes and Actions from previous meeting

1.1. Minutes

The minutes of the previous meeting were accepted.

1.2. Actions

0501: Xoserve (DA) to provide a copy of the ROM in time for consideration at the next meeting.

Update: HC confirmed that a ROM had been completed. A manual solution would require almost the same extent of system changes as an automated approach. To cover a two-year lifespan, the implementation cost for an automated solution would be between £150k and £210k and take 6 to 9 months to deliver. A revised ROM would be provided for publication once the business rules are complete. **Carried Forward**

2.0 Discussion

GE noted that the timetable meant a limited operational period prior to Nexus go live, at which stage it was effectively redundant. AV saw this as bringing forward an element of Nexus and allowing Shippers time to prepare. AV confirmed that the funding approach remained to be clarified.

AM asked if limits per portfolio were anticipated. DA indicated that system limits inevitably exist but are hard to quantify. Xoserve is confident that the numbers that have been looked at to date can be accommodated – about 16k per month – but the scale of headroom above this has not been tested. AV emphasised that she was open to suggestions for how the available capability might be allocated but would want to be sure that this did not disadvantage smaller suppliers. CB was concerned there may be a competition issue depending on how any constraints are addressed.

CB asked why, given the change is to be following a change of supplier, the opportunity to make a change was not time limited. AV explained that the Xoserve reports on the latest AQ review imply AQs are potentially increasingly out-dated given a lack of readings and the backstop date.

CW asked why the normal UNC AQ amendment rules are not being followed – why create bespoke rules that justify amendment. AV said that this was different because it did not relate to consumption changes but was about dealing with erroneous values. CW saw this as falling more within the manifest error and BTU form area. AV added that the modification allowed for changes across the board, including changes upwards and not just downwards. To monitor the use of the mechanism, a Mod81 style report could be adopted, showing adjustments in both directions.

AV confirmed that she would revise the modification in light of the points put forward. She would welcome input regarding any preferred way forward. AM indicated that Ofgem have indicated in other cases that transfer costs may not help to justify implementation – customers are neutral to a change in allocations whereby some gain and some lose. This is worth considering in terms of how the implementation costs are justified.

With regard to the allocation of User Pays costs, it was clear that there was unlikely to be any consensus on any proposed approach.

3.0 Workgroup Report

The Workgroup Report will be considered following amendment of the modification. CW confirmed that National Grid Distribution anticipate beginning the process of producing legal text once the details of the modification are firmer.

4.0 Any Other Business

None.

6.0 Diary Planning

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

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

Monday 15 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
0450 0501	23/05/13	2.0	To provide a copy of the ROM in time for consideration at the next meeting.	Xoserve (DA)	Carried Forward