

# Joint Office of Gas Transporters

Distribution Workstream Minutes 27 October 2005

## Amended Distribution Workstream Minutes

Thursday 27 October 2005

Elxon, 350 Euston Road, London

### Attendees (AM)

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Tim Davis	TD	Joint Office of Gas Transporters
Alex Travell	AT	E.ON Energy
Bryony Sheldon	BS	Ofgem
Chris Warner	CW	National Grid (UK Distribution)
Fiona Cottam	FC	xoserve
Gareth Evans	GE	Total Gas & Power
Mark Pearce	MP	Corona Energy
Melanie Pilkington	MPi	xoserve
Mick Curtis	MC	E=mc <sup>2</sup>
Simon Howe	SH	RWE Npower
Steve Nunnington	SN	xoserve
Steve Courtney	SC	Scotia Gas Networks
Richard Pomroy	RP	Wales and West Utilities
Santina Curtis	SCu	Eni Uk Limited

### Apologies

Robert Cameron-Higgs	Northern Gas Networks
Graham Wood	British Gas Trading
Adam Frak	SSE

## 1. Status Review

### 1.1. Minutes from September Distribution Workstream

No comments received. Minutes approved.

### 1.2. Review of Actions from September Distribution Workstream meeting.

See Action Table Appendix for updates.

### 1.3. Review of Live Modification Proposals and Topics Log

JM reviewed Live Modification Proposals and Topics Log.

0005(0726) Ofgem confirmed they are still considering the Final Modification Report.

JM summarised the Panel recommendations for Implementation on Proposals: 0023, 0024, 0025, 0026, 0033, 0034, 0041. The Panel recommended Non Implementation for Proposals: 0027, 0032 and Implementation not recommended for Proposals: 0031, 0035

CW confirmed following the Panel voting on the Modification Proposals 0023, 0031 and 0041 (which relate to Re-assessment of User Unsecured Credit Limits) the preferred solution was deemed to be Modification Proposal 0023.

Attendees agreed to increase the priority of Topic 009Dis from Medium to High. CW confirmed that a Joint Board Meeting would be taking place in November. MC questioned whether a Meter Asset Managers Code of Practice (MAMCoP) Board meeting is planned for November.

**Action Dis1001:** CW to confirm meeting arrangements for MAMCoP.

**Post meeting note:** The next MAMCoP board meeting is in January 2006

Attendees agreed to leave priority of Topic 010Dis as Low.

## 2. Modification Proposals

CW highlighted the five new Modification Proposals that have been raised for consideration by the Governance Workstream relating to the way in which certain ancillary documents are revised. It was suggested that any revision to the content of these documents themselves will be provided by the relevant Workstream(s).

## 3. Topics on Agenda

### 3.1. 002Dis – Isolation of Prime & Sub-deducts

CW referred to previous Workstream presentations, the recorded action to work out costs/benefits and the importance of understanding the population of the analytical meters. National Grid's email inviting Shippers to provide the numbers of check meters within their portfolios received 4 responses.

SH confirmed NPower have 8 prime meters with no consumption, although contracts are in place. Physical investigation will be undertaken on these sites.

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CW confirmed British Gas Trading have, as expected, identified a substantial number of check meters. He also confirmed that National Grid would like to undertake a sense check on the information provided. To assist with a reasonable cost benefit analysis National Grid requested the provision of M-Numbers along with Meter Readings. Some concern was expressed by the workstream with the provision of M-numbers and, particularly, Meter Readings. National Grid believed it is important for the cost analysis to be undertaken.

MC suggested BGT would have the majority of information. It was agreed by the meeting that only the provision of M-Numbers was essential.

RP's request to consider that once a prime meter has become a check meter it cannot be re-configured has been provided to xoserve to consider costs (reference Action Dis0901).

SN provided an estimate of approximately 6 weeks to undertake an M-Number analysis. xoserve will strive to provide Transporters with the analysis by December.

**Action Dis1002:** National Grid invited the provision of M-Numbers for analytical meters Shippers have identified within their portfolio. Numbers to be provided to CW

**Action Dis1003:** xoserve to undertake cost analysis for Prime Meter Isolations and WWU's solution to prevent a check meter being re-configured as a Prime Meter.

### 3.2. 011Dis - Must Reads – Implementation

SH raised concerns about the interaction between the Smaller Supply Point 'must read' and Supplier Licence Meter Inspection processes, as both must occur within a 2 year period but do not necessarily coincide, and the UNC 'must read' does not count as an Inspection.

He highlighted the Ofgem decision letters for Modification Proposals 406 "Failure to obtain Meter Readings - Removal of PGT obligations to procure meter readings with respect to Annual Read Meters" and 471 "Revision of provisions relating to read procurement and submission with respect to Annual Read Meters installed at Smaller Supply Meter Points" and particularly the phrase "at this time"(see attached Ofgem decision letters). He sought clarification of Ofgem's current view with regards to Transporter's obligations – in particular not having 100% provision of meter reads for Smaller Supply Points, challenging the 'must read' requirement for Smaller Supply Points and confirmed the 'must read' for Smaller Supply Points is used in the AQ calculation process.

**Action Dis1004:** Ofgem to review Mod 406/471 decision and provide view with regards to Transporter's obligation for the provision of Must Reads

SH challenged whether a contractual arrangement could be implemented to undertake 'must reads' and Meter Inspections at the same time perhaps as a commercial arrangement and requested Transporters initial thoughts.

**Action Dis1005:** Transporters to consider possibility of commercial arrangements for simultaneous 'must reads' and Meter Inspections.

MC suggested removal of the 'must read' cycle, or changing the cycle window to include Meter Inspection windows, which may help avoid separate 'must reads' and Meter Inspections. Workstream attendees, however, identified that consideration must be given to the impact on AQ Reviews.

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CW confirmed that Modification 471 also sought to reduce the requirement for provision of 'cyclic reads' for Annual Read meters every 2 years from 100% to 90%, but this was rejected.

SH sought clarification if the 'must read' is simply used to assist with the calculation of accurate AQs – questioning how critical would it be not to have the Meter Read. CW confirmed that reads for meters installed at Smaller Supply Points are used solely for the purposes of AQ derivation.

GE challenged whether the removal of 'must reads' would be advisable. 'Must-reads' are required for Individual Meter Point Reconciliation at Larger Supply Points and accuracy of AQ. How wrong would an AQ re-calculation be without 'must reads'?

AT requested suggestions on what would be an alternative to ensuring the AQ recalculation is accurate.

SH/CW suggested that a discussion be held at an appropriate operational forum. With consideration being given to the impact on AQ calculation. The usefulness of this was however challenged by xoserve.

GE highlighted that a similar topic had been discussed within the Electricity Market, and suggested a lack of accurate readings does have consequences. GE confirmed Total Gas & Power would not be content reducing the provision of Meter Readings or retiming the 'must read' window.

Discussion evolved around the relevant licence obligations for Meter Inspections. AT suggested waiting for the outcome of the Supplier Licence review.

**Action Dis1006:** All to consider possible solutions for the provision of simultaneous 'must reads' and Meter Inspections.

**Action Dis1007:** All to review current Meter Read and Meter Inspection issues currently encountered.

**Action Dis1008:** All to consider the requirement of 100% meter readings for Smaller Supply Meter Points including impact to AQ re-calculations.

**Action Dis1009:** All to ensure the Distribution Workstream discussion on Meter Reads and Meter Inspections is considered at an appropriate operational forum.

3.3. 012Dis – Shrinkage Review Group

TD confirmed the Joint Office of Gas Transporters have agreed to Chair Shrinkage Meetings: March Assessment, June Initial Proposals, August Final Proposals, December review of issues. GE had issues with existing arrangements and welcomed an independent chair. The Workstream agreed this Topic can now be closed. TD invited proposals on how the Shrinkage Forum should be run.

**Action Dis1010:** All to provide proposals for Shrinkage Forum Meetings to Joint Office.

3.4. 013Dis – Network Ownership beyond ECV at Prime and Sub-deduct Meter Configuration

GE sent a letter to Ofgem outlining Total's view (see attached). CW asked that this be circulated to Workstream members to provide an opportunity to comment on Total's view.

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Ofgem confirmed lawyers are currently examining the situation.

GE expressed concerned with the time taken to review such a potentially important issue.

AT questioned Standards of Service arrangements and similarities to IGTs – how are standards applied on these networks?.

**Action Dis1011:** CW to consider Standards of Service and similarities with IGTs and provide a response.

CW confirmed National Grid's view that the pipework on a Prime & Sub-deduct configurations downstream of the Transporter's ECV is considered to be installation pipework which is not owned by the Transporter. CW provided a paper prior to the June 2005 Workstream setting out its view and rationale.

**Action Dis1012:** All to bring views on Network Ownership beyond ECV at Prime and Sub-deduct Meter Configurations to next meeting.

3.5. Any new topics

No new Topics were raised.

**4. AOB**

Offtake Pressures - proposed new Topic for Offtake Workstream relating to Assured Offtake Pressure for DNs.

GE questioned how this is different to Modification Proposal 005(0726) "Provision of a Guarantee of Pressure for Meter Points operating above 21mbar by the Relevant Transporter".

**Action Dis1013:** Joint Office to raise question at next Offtake Workstream on how Offtake Pressure Topic differs to Modification Proposal 005(0726).

**5. Diary Planning for Workstream**

Next Meetings:

Thursday 24 November 2005, 10:00, at Elexon, 350 Euston Road, London

Thursday 22 December 2005, 10:00, at Elexon, 350 Euston Road, London  
(Subject to business - confirmation to be sought on 24 November)

Thursday 26 January 2006, 10:00 at Novotel, Birmingham International Airport  
(location to be confirmed on 24 November)

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Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
	25/08/05	4.1	Ofgem to provide further clarity on their views regarding Primary Meter Isolations.	Ofgem (BS)	Action: Closed - See Action Dis0905
	25/08/05	4.2	Transporters to consider a code of practice for Large Scale Service Disconnection, providing a progress update by the November meeting.	Transporters	Action: C/F
Dis0901	22/09/05	3.1	All to consider solution that once a prime meter has become a check meter it cannot be re-configured back to a Prime Meter	All	Action: C/F See Action Dis1003
Dis0902	22/09/05	3.1	Shippers to assess how many analytical meters are present within their portfolio.	Shippers	Action: Complete National Grid provided with 4 responses.
Dis0903	22/09/05	3.1	National Grid (UKD) to formally request xoserve to undertake cost implication analysis for Prime Meter Isolations	National Grid (CW)	Action: Complete
Dis0904	22/09/05	3.1	Xoserve to review National Grid (UKD) proposal, assess system impacts and assist with establishing associated costs of prime isolations for next Workstream meeting.	xoserve (SN)	Action: C/F
Dis0905	22/09/05	3.1	BS, Ofgem to provide view of Prime and Sub-deduct Network ownership and Network Licence Conditions.	Ofgem (BS)	Action: C/F See Also Dis1012
Dis0906	22/09/05	AOB	Consent to Modify to be raised by National Grid and issued to Joint Office.	National Grid (CW)	Action: Complete Consent to Modify raised and issued to Ofgem
Dis1001	27/10/05	1.3	CW to confirm meeting arrangements for MAMCOP	National Grid (CW)	Action: Complete See Post Meeting Note
Dis1002	27/10/05	3.1	National Grid invited the provision of M-Numbers for analytical meters Shippers have identified within their portfolio. Numbers to be provided to CW	All	Action:
Dis1003	27/10/05	3.1	xoserve to undertake cost analysis for Prime Meter Isolations and WWUs solution to prevent a check meter being re-configured as a Prime Meter.	xoserve	Action:

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Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis1004	27/10/05	3.2	Ofgem to review Mod 406/471 decision and provide view with regards to Transporters obligation for the provision of Must Reads	Ofgem (BS)	Action:
Dis1005	27/10/05	3.2	Transporters to consider possibility of commercial arrangements for simultaneous Must Reads and Meter Inspections.	All Transporters	Action:
Dis1006	27/10/05	3.2	All to consider possible solutions for the provision of simultaneous 'must reads' and Meter Inspections.	All	Action:
Dis1007	27/10/05	3.2	All to review current Meter Read and Meter Inspection issues currently encountered.	All	Action:
Dis1008	27/10/05	3.2	All to consider the requirement of 100% meter readings for Smaller Supply Meter Points including impact to AQ re-calculations.	All	Action:
Dis1009	27/10/05	3.2	All to ensure the Distribution Workstream discussion on Meter Reads and Meter Inspections is considered at an appropriate operational forum.	All	Action:
Dis1010	27/10/05	3.3	All to provide proposals for Shrinkage Forum Meetings to Joint Office.	All	Action:
Dis1011	27/10/05	3.4	National Grid to consider Standards of Service and similarities with IGTs and provide a response.	National Grid (CW)	Action:
Dis1012	27/10/05	3.5	All to bring views on Network Ownership beyond ECV at Prime and Sub-deduct Meter Configurations to next meeting.	All	Action:
Dis1013	27/10/05	AOB	Joint Office to raise question at next Offtake Workstream on how Offtake Pressure Topic differs to Modification Proposal 005(0726).	Joint Office	Action: