

# GAS CUSTOMER FORUM MINUTES

## Monday 25 September 2006

### Elexon Office, 350 Euston Road, London

#### Attendees

Tim Davis	(Chair)	(TD)	Joint Office of Gas Transporters
Mike Berrisford	(Secretary)	(MB)	Joint Office of Gas Transporters
Alex Spreadbury		(AS)	B&Q
Bali Dohel		(BD)	Scotia Gas Networks
Claire Gibney		(CG)	NHS Purchasing & Supply Agency
Damien Cox		(DC)	John Hall Associates
Eddie Proffitt		(EP)	Major Energy Users Council
Gareth Evans		(GE)	Total Gas & Power
Gary Ward		(GW)	Energy Consortium (Education)
Helen Bray		(HB)	Chemical Industries Association
Ian Dobson		(ID)	CIPS
Lindsey Paradine		(LP)	National Grid
Mark Freeman		(MF)	National Grid
Neil Moorcroft		(NM)	Energy Consortium (Education)
Nigel Sisman		(NS)	National Grid
Paul Savage		(PS)	energywatch
Robert Cameron-Higgs		(RCH)	Northern Gas Networks
Robert Spears		(RS)	Utility Consumers Consortium
Simon Trivella		(ST)	Wales and West Utilities

#### Apologies

David Woolgar	(DW)	Society of British Gas Industries
John O'Grady	(JO)	Northern Gas Networks
Kerri Matthews	(KM)	National Grid
Liz Spierling	(LS)	Wales and West Utilities
Margaret Hunter	(MH)	Scotia Gas Networks
Marcus Stewart	(MS)	National Grid

## 1. Introduction

- 1.1 TD gave an introduction, including the Elexon Emergency Evacuation arrangements.
- 1.2 Minutes of the meeting held on 10 July 2006 were accepted.
- 1.3 TD reviewed actions from the previous meeting. All outstanding actions were accepted as closed apart from:
  - **GCF015 & 020**– RCH advised members that the xoserve Contract Managers meeting due to be held on Wednesday 27 September 2006 would be discussing these issues and he would report back. **Actions Carried Forward**
  - **GCF021** – TD advised that xoserve's view was awaited. **Action Carried Forward**

- **GCF022** – TD advised that Ofgem had indicated information would be available for the meeting, but it had not been provided. In other meetings Ofgem had indicated that iGTs acceding to the UNC had attractions, but was likely to be difficult. Moving to an iGT UNC was a more practical way forward. Members indicated that they would like an explanation from Ofgem and wondered why iGTs are not required to accede to the UNC. PS advised that energywatch wrote to Ofgem regarding iGT issues but, as yet, have received no formal response. **Action: Carried Forward**
- **GCF023** – TD advised that no IGEM paper has been given to the Joint Office to publish. **Action: Carried Forward**

## 2. Presentations

*All presentations are available on the Joint Office web site:*

<http://www.gasgovernance.com/industryinfo/GasCust/2006Meetings/>

### 2.1 UNC Modification 0088 “Extension of DM service to enable Consumer Demand Side Management” update (G Evans)

GE said the aim was to facilitate the introduction and use of AMR equipment - improving customer's information and I&C data quality. He recognised that some customers are looking for 'real time' metering data - Members confirmed this was the case. GE felt few have voluntarily become DM sites and this was probably because of the costs involved, which should be lower with AMR.

GE nonetheless acknowledged the scale and difficulties facing implementation of this Modification Proposal. He would welcome an Ofgem RIA as TGP believe there are significant market implications beyond the UNC. GE anticipated that the Development Work Group considering the Proposal would recommend to the October Modification Panel that it should be issued for consultation.

Members pointed out the difficulties surrounding introduction of smart meters, such as attaching transmitters to existing meters and the possible barrier to competition if equipment was not transferred on change of supplier. GE agreed that commercial and regulatory issues need to be resolved, but these are beyond the Modification Proposal's scope. TGP has been careful to avoid mandating use of any particular technology.

PS said energywatch is supportive of the Proposal, but was unclear which was the key benefit. GE said the work to date had unearthed a host of potential benefits and that Demand Side Response was the starting point.

Members generally believed that the principle of the Proposal sounded attractive, but some wondered why this was voluntary rather than requiring all sites over a threshold to provide daily meter readings – akin to the mandatory approach for half hourly electricity meters. Members also suggested looking at 'neutral data collection', also building on electricity experience.

Members remain concerned about who would pick up the costs associated with the introduction of this technology and the apparent lack of an Industry Standard. Furthermore, they believed that the cost benefits have not been made clear. GE said he would welcome an Ofgem Impact Assessment which could look at impacts beyond the UNC Modification Proposal.

### 2.2 UNC Modification 0090 “Revised DN Interruption Arrangements” (DN Interruption Reform) (M Freeman)

MF advised that the Development Work Group was due to report to the October Modification Panel, and he hoped they would recommend the proposal being issued for

consultation. MF also advised that a Pricing Discussion Paper was being issued while he spoke, with responses requested by 12 October.

Members indicated that they were unsure as to what was being offered in relation to compensation payments, was it limited to just DN Capacity Charges or NTS as well?. MF responded that the detail is dependent on the incentives which Ofgem establish.

Members enquired what would happen if no bids were received - a real possibility as most customers would not invest in the resources needed to be active in the proposed process. MF said that the approach taken was seeking to simplify the choices available, thereby encouraging participation.

Members asked, and MF confirmed (subject to investment) that sites that did not bid to be interruptible would be firm from 2010.

**Action GCF024** – MB to publish a copy of the Pricing Discussion Paper on the Joint Office web site asap after initial release.

### 2.3 NTS Update (N Sisman)

NS advised members that a Pricing Consultation would be issued shortly, proposing changing the underlying modelling approach and reflecting changes in supply patterns. Members may be interested in the methodology and indicative prices and their feedback would be welcome.

NS provided a high level overview of the forthcoming Winter – a fuller presentation was to be made by Chris Murray on the following day.

NS advised that an SMS or email service was now available for all to be advised when a Gas Balancing Alert had been issued, and confirmed that multiple registrations were possible.

NS confirmed that information release as envisaged in Modification proposal 0006 was on track to be initiated on 3 October, and detailed presentations on the data were available. The supporting infrastructure costs to date approach the £1.5 million mark and he believed the provision will be a world first and should be applauded. Outlining options for accessing the data, NS indicated that data transfer can be up to 20mb in one go and perhaps users should consider retrieving data on a weekly basis. Members enquired if retrospective data would be available, to which NS replied that the intention is to provide up to two (2) years worth of data which will 'build up' over a period of time.

On the progress of UNC Modification proposal 0116, "Reform of NTS Offtake Arrangements", NS said this would be subject to Modification Panel consideration on 12 October. Members asked why the draft E.ON Modification Proposal which been described as 'status quo' was necessary. NS advised that the present arrangements include a 'Sunset Clause' and so a UNC Modification was necessary.

Members stated that National Grid contracts directly with power customers and this can provide for appropriate action in exceptional circumstances. NTS might also usefully contract with customers for interruption in the interests of supply security. It was suggested that consumers believe going Firm means that they will not get interrupted in the event of an emergency.

Members enquired about the result of emergency Exercise Neptune. LP advised that the consensus amongst participants was that it had gone well and that the response rate was up 11 percent to around 70 percent in total.

Members raised concerns about volatility in DN charge levels, which they feared could be worse as more market mechanisms are introduced – although increasing capacity based

charges would help. They asked if all DNs could provide a breakdown of why charges were changing, as National Grid had done.

Members thanked Nigel Sisman for all his hard work for GCF and elsewhere, and wished him well in his new role.

**Action GCF025** – Joint Office to circulate the statistics for Exercise Neptune and include on the 27 November 2006 GCF Agenda.

**Action GCF026** – DNs to consider providing a breakdown explaining movements in charge levels.

### 3. Modification Proposals

#### 3.1 Review of UNC Modification Proposals (T Davis)

TD highlighted that the UNC Modification Proposals that he expected to be of greatest interest to members, specifically:

0115	“Correct Apportionment of NDM Error”
0108	“Publication of Near Real Time Data at GB Storage Sites”
0104	“3 <sup>rd</sup> Party Proposal: Storage Information at LNG Importation Facilities”
0101	“Amendment to demand forecasting timings in relation to the Gas Balancing Alert”
0100	“Amendment to OPN/SFN submission times”.

Members indicated that they were happy with the information provided and the approach suggested, but did ask if the ‘Proposing Company’ could be provided within the report.

**Action GCF027** – Joint Office to add a new column on the Live Modification Register to identify the proposing organisation.

### 4. Customer Issues

#### 4.1 DNO Update

No additional issues raised.

#### 4.2 Customer Issues

D Cox asked if the outage data referred to in the Winter Outlook Report was restricted to industry players, or was available to a wider audience. HB suggested it may only be available to National Grid only.

#### 4.3 Regulatory Issues

No additional issues raised.

### 5. Date of next meeting and agenda items

#### 5.1 Future Meeting Venues

Next Meeting: 27 November, 12:00 for 12:30, Elexon, 350 Euston Road, London

Agenda items agreed were:

Winter Update  
Exercise Neptune  
DN Interruption Reform  
NTS Exit Reform  
Scotia Gas Networks Experience

Meeting dates and locations are on the Joint Office calendar,  
<http://www.gasgovernance.com/diary>, and with other GCF related material at  
<http://www.gasgovernance.com/industryinfo/gascust>.

**6. A.O.B.**

TD closed the meeting and asked members to submit any suggestions for agenda items to the Joint Office via [enquiries@gasgovernance.com](mailto:enquiries@gasgovernance.com)

## Appendix A

## Action Log – Gas Customer Forum – 25 September 2006

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GCF015	24/04/06	4.1	Northern Gas Networks to report on the xoserve discussion at a future GCF meeting.	JO/RCH	Carried Forward 25/09/2006
GCF017	10/07/06	2.1	Wales and West Utilities to check if Ofgem planned to undertake an Impact Assessment.	LS	Completed 25/09/2006
GCF019	10/07/06	2.1	Joint Office to ensure DN Interruption Reform is on the September 2006 GCF Agenda.	MB	Completed 18/07/2006
GCF020	10/07/06	2.2	Transporters to consider the appropriateness of customers, rather than xoserve, owning Aqs.	Trans'	Carried Forward 25/09/2006
GCF021	10/07/06	2.2	xoserve to consider issuing the base date from which Aqs are calculated.	SN	Carried Forward 25/09/2006
GCF022	10/07/06	2.3	Joint Office to seek an Ofgem view on the iGTs being bound by the UNC	MB	Carried Forward 25/09/2006
GCF023	10/07/06	4.2	Joint Office to publish IGEM paper when received.	MB	Carried Forward 25/09/2006
GCF024	25/09/06	2.2	Joint Office to publish Pricing (Options) Discussion Paper when received.	MB	Completed 25/09/2006
GCF025	25/09/06	2.3	Joint Office to circulate the statistics for Exercise Neptune and include on the 27 November 2006 GCF Agenda, including organising a guest speaker.	MB	20/11/2006
GCF026	25/09/06	2.3	DNs to consider providing a breakdown explaining movements in charge levels.	DN's	27/11/2006

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner*	Status Update
GCF027	25/09/06	2.3	Joint Office to add a new column on the Live Modification Register to identify the proposing organisation.	MB	03/10/2006