

Distribution Workstream Minutes
Thursday 23 July 2009
Holiday Inn, 61 Homer Road, Solihull

Attendees

Bob Fletcher (Chair)	BF	Joint Office
John Bradley (Secretary)	JB	Joint Office
Anne Jackson	AJ	Scottish and Southern Energy
Andrew Wallace	AW	Ofgem
Brian Durber	BD	E.ON UK
Beverley Viney	BV	National Grid NTS
Chris Hill	CH	RWE npower
Chris Warner	CW	National Grid Distribution
Dean Johnson	DJ	xoserve
David Watson	DW	British Gas
Gareth Evans	GE	Waters Wye
Linda Whitcroft	LS	xoserve
Joanna Ferguson	JF	Northern Gas Networks
Joel Martin	JM	Scotia Gas Networks
Karen Kennedy	KK	ScottishPower
Mark Freeman	MF	National Grid Distribution
Phil Broom	PB	GDFSuez
Phil Lucas	PL	National Grid Distribution
Richard Street	RS	Corona Energy
Stefan Leedham	SL	EDF Energy
Simon Trivella	ST	Wales & West Utilities

Apologies

Amrik Bal	AB	Shell
Jenny Boothe	JBo	Ofgem
Rosie McGlynn	RM	EDF Energy

1. Introduction and Status Review

1.1. Minutes from the previous meeting

The minutes from the previous meeting were approved. At the top of Page 3, in the update on Action Dis0508, it was agreed in AWs comment that “will” should read as “should”.

1.2. Review of actions from previous Distribution Workstream meetings

Action Dis0401: UNC0248 - SL to provide some examples of why shippers need to replace meter reads, how these can currently be managed and how the proposal can improve this.

Action Update: SL requested that this action be carried forward. He intended providing a presentation to the Joint Office on 24 July 2009.

Carried Forward

Action Dis0403: EDF Energy to revise proposal UNC0248 considering the discussions held at the Distribution Workstream.

Action Update: SL had meet with xoserve to discuss this and confirmed that a revised Proposal would be issued to the Joint Office on 24 July 2009.

The Transporters had drafted a ROM but would not be progressing this until the Proposal was revised. **Carried Forward.**

Action 0601: British Gas to submit an amended UNC0231 by Monday 29 June.

Action Update: BF confirmed that as this action was undertaken prior to the July Panel Meeting **Closed.**

Action Dis0602: UNC0231 - Joint Office to publish the Workstream Report including the amended proposal by Friday 03 July 2009.

Action Update: The Workstream discussed this under 2.1 below. AW outlined a number of questions Ofgem had concerning the reasonable endeavours scheme and how it is proposed to be governed, pointing out that it is unclear how the explanatory notes should be governed. ST indicated that this aspect had not been discussed by the Transporters. The Proposal itself indicated that the reasonable endeavours scheme and the associated table would be incorporated in the UNC TPD Section V. However, it may be appropriate for the guidance notes to be included as an ancillary document. AW suggested that this was not clear in the Proposal itself. DW agreed to revise the Proposal for discussion at the August 2009 Workstream. **Carried Forward.**

Action Dis0603: British Gas to amend UNC0253 and submit to Panel for consideration at the July Panel Meeting.

Action Update: The amended Proposal was submitted to the July Panel meeting following the Distribution Workstream held on 6 July 2009 to discuss the report **Closed.**

Action Dis0604: All to consider the draft Workstream report for UNC0253 and indicate to the Joint Office if the report needs further consideration or not.

Action Update: This was discussed at the special Distribution Workstream held on 6 July 2009. **Closed.**

Action Dis0605: UNC0253 - British Gas to present their conclusions on the impacts of data protection on the provision of supply point enquiry data without contact from a consumer.

Action Update: This was not discussed at the Distribution Workstream held on 6 July 2009. British Gas will publish a clarification note by 30 July 2009 to inform the responses. **Carried Forward.**

Action Dis0606: Gazprom to consider amending UNC0255 and submit to Panel for consideration at the July Panel Meeting.

Action Update: GE has been in discussion with xoserve. **Closed.**

Action Dis0607: National Grid to investigate if there are any barriers to providing asset and previous read history to new suppliers.

Action Update: National Grid Distribution has provided a response to this action, which had been published on the Joint Office website alongside the agenda for 23 July 2009 Distribution Workstream. **Closed.**

1.3. Review of Live Modifications

BF outlined the live Modification Proposals. AW confirmed that Ofgem was working on the Regulatory Impact Assessment for Proposals 0194/0194A, 228/228A and 0229 and was expecting to issue this in August 2009.

2. Modification Proposals

2.1. Proposal 0231: Changes to the Reasonable Endeavours Scheme to Better Incentivise the Detection of Theft

DW will be revising this Proposal for discussion at the August 2009 Workstream. BF will arrange for an extension to be requested from UNC Panel in August.

2.2. Proposal 0248: Meter Reading Replacement

SL provided an update on progress, advising that an amended Proposal and presentation should be available for discussion at the August 2009 Distribution Workstream.

2.3. Proposal 0255: Publication of Objection rates for LSP Supply Points

CW confirmed that a Rough Order of Magnitude (ROM) estimate had been requested from xoserve. GE outlined some of the complexities involved. PB asked about frequency of reporting. GE responded that a quarterly report was the most likely. It was agreed to defer discussion to the August 2009 Distribution Workstream.

2.4. Proposal 0258: Facilitating the Use of Remote Meter Reading Equipment for the Purposes of Demand Estimation Forecasting Techniques

JM outlined the intention of installing remote meter reading equipment in recognition of advances in technology. This Proposal seeks to remove the current exclusions on use of such equipment. Some concerns had been highlighted at the Panel Meeting. ST indicated that WWU wished to go further than this Proposal in enabling third parties to supply the data and, consequently, were considering raising an alternative Proposal. ST would be publishing a draft Alternative Proposal during w/c 27 July 2009.

Action Dis0701: WWU (ST) to raise draft version of an Alternate Proposal to 0258.

The Transporters assured the Workstream there would be no deterioration in reliability and auditability if remote devices were used. This had been a concern at the outset of Transco's Network Code and had led to the restriction in the current UNC.

JM will be amending the Proposal for submission at the special Modification Panel meeting to be held on 06 August. Both the Proposal and the potential Alternative Proposal would also be discussed at the Demand Estimation Sub-Committee.

Action Dis0702: Scotia Gas Networks (JM) to revise Proposal 0258 for presentation at the Panel Meeting 06 August 2009.

2.5. Proposal 0259: Removal Of Obligations To Install UK Link User Equipment and UK Link User Software for UK Link Users who utilise the services of an UK Link User Agent

JM outlined the current UNC provisions, which require all UK Link Users to have this equipment and software installed even if they do not require it. xoserve had established that of twelve traders, nine used an agent and therefore had no need for UK Link equipment and software. In some cases, the Users concerned had sent the equipment on to their agent's premises. Thus the current UNC provisions gave no security against an agent ceasing to function. Implementation would not prevent a UK Link User procuring the equipment and software and JM undertook to investigate how provision of an electronic token to the UK Link User may increase the reliability of access.

Action Dis0703: Scotia Gas Networks (JM) to investigate provision of security token for Users relying on an agent for UK Link access.

Any impact on User Pays was discussed but it was concluded that there would be no impact. JM undertook to provide a revised Proposal for discussion at the August Transmission Workstream.

The Workstream then reviewed and amended the Workstream Report on the basis that the next draft version would include the minor changes to the Proposal and be finalised by the Transmission Workstream. Any comments from members of the Distribution Workstream received by the Joint Office prior to 06 August 2009 would be considered at the Transmission Workstream.

Action Dis0704: Scotia Gas Networks (JM) to revise Proposal 0259 for publication prior to the Panel Meeting 06 August 2009.

3. Topics

3.1. 014Dis, CSEP NExA Agreements

ST outlined discussions which are intended to commence with the Independent Gas Transporters (IGT) in August. CW outlined some work that has been deferred under SPAA. It was agreed that this Topic would remain live.

3.2. 038Dis, Emergency Contact Details

MF gave this presentation from the standpoint of DN Interruption Reform. There had been three tenders to date. As a result of DN Interruption Reform, the number of Interruptible Sites would reduce from circa one thousand to thirty. In a Network Gas Supply Emergency, this would hasten the onset of firm load shedding as there would be so few Supply Points to interrupt. Typically, firm load response times were greater than with interruptible loads. The Health and Safety Executive had expressed some concerns at this outcome during discussions with the Transporters. As a result, the Transporters were initiating activities with a view to improving the response at the DM firm Supply Points. MF acknowledged that assuming current response times for firm Supply Points would apply to those changing from Interruptible, was a worst case scenario. National Grid Distribution would be conducting a data validation exercise for the two hundred Supply Points with the largest AQ, in each LDZ. In addition, there would be site visits to all Supply Points with Aqs greater than 2 million therms. For National Grid Distribution this would be 212 Supply Points over five LDZs. The primary discussion on these site visits would be with the emergency contact. The Transporters had prepared a revised emergency leaflet which they would provide to the Joint Office and would inform the Shipper prior to any site visit. Each DN would be providing an updated Safety Case to the HSE in August. Members of the Workstream were encouraged to submit revised contact details to the Joint Office for onward transmission to the DNs.

CW recalled Transco's Network Code Proposal 0728 which had been rejected by Ofgem and which had sought to transfer the responsibility for maintaining emergency contact details to the Transporters. Ofgem had indicated, in its decision letter, the potential for incentivising Shippers to maintain reliable contact details. It was clarified that circa 40,000 Supply Points might be covered by such an incentive regime. PL then proceeded to outline what an incentive scheme may look like. Recognising that the largest 200 Supply Points would be covered by Transporter's validation, it would cover the next 50 Supply Points in each LDZ. A pot would be established per Supply Point but these funds would be returned to Shippers

in a way that reflected good performance in an Emergency Exercise. CW requested comments from Workstream members prior to tabling a UNC Proposal. PB expressed concern in respect of any incentive regime as consumer performance varies so much.

3.3. New Topic

3.3.1. Transfer of Meter Asset and Read History to New Suppliers.

PB had raised this issue. CW outlined National Grid Distribution's perspective that read history should be available but referred to the likelihood of reluctance on the part of the previous Shipper. RS indicated that performance on read history had been a sensitive area but suggested that this did not apply to Daily Read Supply Points. BD indicated that some informal arrangements were in place but PB stated that this had been a convoluted process. PB also indicated that GDFSuez might raise a Modification Proposal. There was some discussion on the AQ Review process but KK indicated that the time lags were extended in obtaining the data within this process. It was agreed that this Topic be raised with Medium priority. The Workstream acknowledged that there would be costs involved and that this would be dependent on the options chosen. PB to meet with the Transporters to discuss two options together with RS.

Action Dis0705: GDF Suez (PB) and Corona (RS) to meet with the Transporters to discuss options for transfer of Meter Asset and Read History to New Suppliers.

4. AOB

JM indicated that, at the June 2009 Modification Panel, Ofgem had indicated information it would need to come to a decision on Modification Proposal 0209. In particular, Ofgem was requesting information from Shippers on benefits. Ofgem had provided the Transporters with an email that set-out, in more detail, this information which the Transporters were ready to share with Shippers. AW agreed to seek permission for its dissemination through the Joint Office prior to the Panel Meeting on 06 August 2009.

Action Dis0706: Ofgem (AW) to report on whether their email on Proposal 0209 can be placed on the Joint Office website.

Following Ofgem's rejection of Modification Proposal 0244, the Transporters had been requested by Ofgem in its decision letter to consider the issues of reduced demand following the economic downturn. Particularly the Transporters should consider options for transitional relief. The DNs had been working with xoserve on this aspect. CW gave a presentation targeted at short term changes outside the UNC and a Review Group to discuss long term measures. He outlined a timetable of events whereby a Modification Proposal might be raised in early 2010. RS expressed the urgency of this in the eyes of consumer groups and formation of a Review Group might be construed as "long grass" tactics. The DNs should therefore concentrate on short term relief. The DNs responded that the short term solution could be reflected in the Review Proposal but other members suggested that the short term solution should be established outside the Review Process such as holding a specific Workstream followed by a Proposal. The DNs agreed to consider this.

Action Dis 0707: DNs to consider in the short term processes for development of proposals that address Supply Point capacity issues where demand is reduced.

RS asked to raise a new Topic in respect of the disconnection process for Larger Supply Points. The length of this process had affected User's credit risk. This was agreed. RS would issue a note prior to the August 2009 Workstream.

Action Dis 0708: Corona (RS) to issue a note outlying the current issues with the disconnection process.

ST advised the meeting that the IGT Panel had formed a group to look at metering separation.

5. Diary Planning for Workstream

Thursday 27 August 2009, 10:00, Elexon, 350 Euston Road, London

Thursday 24 September 2009, 10:00, Elexon, 350 Euston Road, London

Thursday 22 October 2009, 10:00, 31 Homer Road, Solihull

Thursday 26 November 2009, 10:00, Elexon, 350 Euston Road, London

Distribution Workstream Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0401	23.04.09	2.2	UNC0248 – SL to provide some examples of why shippers need to replace meter reads, how these can currently be managed and how the proposal can improve this.	EDF Energy (SL)	Presentation to be provided Carried Forward
Dis0403	23.04.09	2.2	EDF Energy to revise proposal UNC0248 considering the discussions held at the Distribution Workstream.	EDF Energy (SL)	Revised Proposal to be issued Carried Forward
Dis0601	25.06.09	2.1	British Gas to amend UNC0231 by Monday 29 June.	British Gas (MD)	Proposal amended Closed
Dis0602	25.06.09	2.1	Joint Office to publish a draft Workstream Report for approval by Friday 03 July 2009.	Joint Office (BF/HC)	Proposal to be revised prior to report publication. Carried Forward
Dis0603	25.06.09	2.3	British Gas to amend UNC0253 and submit to Panel for consideration at the July Panel Meeting.	British Gas (MD)	Amended Proposal issued. Closed
Dis0604	25.06.09	2.3	All to consider the draft Workstream report for UNC0253 and indicate to the Joint Office if the report needs further consideration or not.	All	Completed at special Workstream Closed
Dis0605	25.06.09	2.3	British Gas to present their conclusions on the impacts of data protection on the provision of supply point enquiry data without contact from a consumer.	British Gas (MD)	Clarification note to be issued by 30 July 2009 Carried Forward
Dis0606	25.06.09	2.4	Gazprom to consider amending UNC0255 and submit to Panel for consideration at the July Panel Meeting.	Gazprom (GE)	Discussions held with xoserve Closed
Dis0607	25.06.09	4.2	National Grid to investigate if there are any barriers to providing asset and previous read history to new suppliers.	National Grid (CW)	Response prepared Closed
Dis0701	23.07.09	2.4	Raise draft version of an	WWU (ST)	Pending

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			Alternate Proposal to 0258.		
Dis0702	23.07.09	2.4	Revise Proposal 0258 for presentation at the Panel Meeting 06 August 2009.	Scotia Gas Networks (JM)	Pending
Dis0703	23.07.09	2.5	Investigate provision of security token for Users relying on an agent for UK Link access.	Scotia Gas Networks (JM)	Pending
Dis0704	23.07.09	2.4	Revise Proposal 0259 for publication prior to the Panel Meeting 06 August 2009.	Scotia Gas Networks (JM)	Pending
Dis0705	23.07.09	3.3.1	Meet with the Transporters to discuss options for transfer of Meter Asset and Read History to New Suppliers.	GDF Suez (PB) and Corona (RS)	Pending
Dis0706	23.07.09	4	Report on whether their email on Proposal 0209 can be placed on the Joint Office website.	Ofgem (AW)	Pending
Dis0707	23.07.09	4	Consider in the short term processes for development of proposals that address Supply Point capacity issues where demand is reduced.	DNs	Pending
Dis0708	23.07.09	4	Issue a note outlining the current issues with the disconnection process.	Corona (RS)	Pending