Review of Mod 640 Validation Arrangements for when a Change of Supplier has occurred

Review Group (UNC0272) Minutes
Thursday 11 February 2010
Renewal Centre, Lode Lane, Solihull

Attendees

Bob Fletcher (Chair)	BF	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Chris Warner	CW	National Grid Distribution
Darren Lindsey*	DL	E.ON Energy
David Watson*	DW	British Gas
Joanna Ferguson	JF	Northern Gas Networks
Linda Whitcroft	LW	xoserve
Mark Jones	MJ	Scottish and Southern Energy
Sham Afonja	SA	RWE npower
Stefan Leedham	SL	EDF Energy

*teleconference

1. Introduction and Status Review

1.1. Minutes from the previous meeting

The minutes from the previous meeting were approved.

1.2. Review of actions from previous meeting

Action RG0272/002: Develop an initial work plan for the first meeting on 14 January 2010.
Action Update: Complete

Action RG0272 0003: Shippers to consider the materiality of the number of 0640 queries likely to be raised.
Action Update: Carried Forward

Action RG0272 0004: All to consider the provision of information on all confirmations during the period the Supply Point has been charged for.
Action Update: Carried Forward

2. Review Group Discussion

2.1. Work Plan

BF summarised the requirements of the work plan, which was accepted.

2.2. Query Materiality

SL confirmed that more time is needed to consider Query Materiality. This item was therefore deferred.

2.3. Dispute Process

Following consideration of Agenda item 2.4 Information Provision, SL provided a presentation on inter-shipper discussion processes. The objective will be to develop a process to support inter-shipper discussions on the application of Mod 640 invoices. This is to encourage appropriate behaviour and target the Mod 640 charges.

DL suggested the application of a partial Mod 640 charge, as an AQ appeal may not have been possible due to timescales restraints. Some concern was expressed about meter read errors that could result in a crossover, which may have not been identified/amended.

LW expressed a concern on the amount of the calculations that may be required by xoserve.

SL explained within his presentation that the Registered shipper will be able to appeal an AQ appeal which would result in the Mod 640 charge not applying or identify that the supply point AQ is correct therefore the Mod 640 charge will apply.

MJ suggested having a report on how many times an MPRN has switched.

LW explained that the Mod 640 invoice timescales and the complications with unpicking change's - this would require early cut-offs. It was suggested that exceptions could be managed outside the Mod 640 invoice.

MJ explained that if a wrong read goes through, the second shipper may incur a spurious charge if the read is not corrected within the required time.

SL expressed some concern of getting past a voluntary process for inter-shipper disputes. DW expressed concern with using the inter-shipper dispute process and how payment defaults could occur.

MJ suggested taking the inter-shipper payments offline. LW questioned what authority would xoserve have to bill Shippers for an offline Shipper agreement.

The Review thought it would be useful if a timeline could be drafted to see how xoserve and Shipper processes fit and how the process could be improved.

Governance was considered. A number of options were suggested through incorporation into the UNC or as a UNC Related Document. SL acknowledged this was a Shipper to Shipper process and it may not be suitable to place it within the UNC, as an alternative he suggested utilising the I&C Code of practice (ICCOP).

DL suggested highlighting a dispute with xoserve and having a process whereby the registered Shipper could manage the required amendments. JF challenged how xoserve would ascertain erroneous charges. LW explained that charges are put in place to encourage correct management of asset data. SL reiterated that the objective is to correctly target costs to the appropriate shipper where an error has occurred.

Action RG0278 0005: xoserve to develop timeline for the next meeting for further consideration.

MJ questioned if there ought to be a tolerance level for the inter-shipper process. He also suggested there ought to be a cut off point as to how far back in time a dispute can be made.

2.4. Information Provision

SL provided a draft Modification Proposal. SL explained that 20% of customer change supplier each year. He confirmed that he would like to include the value of the Mod 640 invoice for 2009 for consideration/inclusion within the Modification Proposal.

Action RG0272 0006: xoserve to provide the value of the Mod 640 invoice for 2009.

He provided an explanation of the modification; essentially it has been drafted to amend UNC for Transporters to provide a report to inform shippers of the expectation of the Mod 640 invoice to allow shippers to be provided with sufficient information ahead of the invoice production. He acknowledged the report might include information of sites that might not be eventually invoiced.

LW explained that there could be instances where sites are lost and switched back to the shipper due to onerous transfers and suggested amended the mod to reflect this.

The requirements for a ROM were discussed but CW wanted to have a further developed modification to enable a ROM to be produced.

AQ Appeals were considered and how the 01 October date would have an affect on the modification. LW explained that if an AQ is amended within the AQ window, the amendment becomes affective 01 October 2010.

Action RG0272 0007: xoserve to consider whether date of AQ change would have an impact on the modification proposal.

MJ enquired about meter exchanges and how these impact charges levied. He explained that exchanges could result in incorrect chares.

It was questioned if the charges levied are charged either by supply point or by supply meter point. xoserve to confirm.

Action RG0272 0008: xoserve to confirm if the Mod 640 invoice is charges by supply point of supply meter point.

MJ asked if it was possible for xoserve to report from the Mod 640 invoices f changes in the small I&C designation flag. LW suggested that xoserve would be able to provide the number of threshold crossover switches for a supply point.

Action RG0272 0009: xoserve to investigate the possibility of reporting the number of threshold crossers and how this could be reported.

DW asked if this would be an optional service. SL explained that it was considered to be an optional service. However, development costs may need to be smeared across all registered SSP Shippers at the date of implementation, as it is difficult to manage Shippers opting out and how development costs could be recovered from late adopters.

Invoice queries were discussed and an increase in queries was not envisaged. LW explained that the invoice is produced on the information provided to xoserve so in theory the invoices produced will be correct for the information provided. If

xoserve received a query disputing the invoice due to incorrect data this would be classed as an invalid query.

CW wished to consider the list of items required in the proposal for the report. He confirmed that xoserve would need to assess the required information to establish if the data items required are recorded.

JF explained that to enable a ROM to be produced a rule analysis needs to be considered to ensure there are enough rules for the production of a ROM.

SL agreed to amend the modification and send to CW to request rules analysis is undertaken.

Action RG0272 0010: EDF Energy to provide an amended modification to allow xoserve to undertake a rule analysis.

DL explained xoserve produce an NRS file for threshold crossers. SL explained that if the supply point is amended this threshold crosser may not occur and would not result in a Mod 640 invoice. DL suggested using the basis of the NRS file as a basis for the report, which goes to every shipper who had the supply point within that year. LW explained that a file change would have to be facilitated through UK Link which all Shippers have to approve and that it may be easier to provide an additional report rather than expand a file.

DL questioned what if erroneous Mod 640 invoices charges are incurred. What if there is an instance where a previous shipper may have not been able to amend the supply point resulting in an inter-shipper dispute.

SL explained a presentation has been drafted to cover this element of the Review (see item 2.3)

3. AOB

SL

4. AOB

None raised.

5. Diary Planning for Review Group

11:30 Thursday, 11 March 2010, Renewal Conference Centre, Solihull

Further meetings to be arranged following the March meeting.

ACTION LOG - Review Group 0272

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0272 0002	10/12/2009	4.0	Develop an initial work plan for the first meeting on 14 January 2010.	EDF (SL)	Carried Forward
RG0272 0003	14/01/2010	2.1	Shippers to consider the materiality of the number of 0640 queries likely to be raised.	All Shippers	Carried Forward
RG0272 0004	14/01/2010	2.1	All to consider the provision of information on all confirmations during the period the Supply Point has been charged for.	All	Carried Forward
RG0272 0005	11/02/2010	2.2	xoserve to develop timeline for the next meeting for further consideration.	xoserve (LW)	Pending
RG0272 0006	11/02/2010	2.3	xoserve to provide the value of the Mod 640 invoice for 2009.	xoserve (LW)	Pending
RG0272 0007	11/02/2010	2.3	xoserve to consider whether date of AQ change would have an impact on the modification proposal.	xoserve (LW)	Pending
RG0272 0008	11/02/2010	2.3	xoserve to confirm if the Mod 640 invoice is charges by supply point of supply meter point	xoserve (LW)	Pending
RG0272 0009	11/02/2010	2.3	xoserve to investigate the possibility of reporting the number of threshold crossers and how this could be reported.	xoserve (LW)	Pending
RG0272 0010	11/02/2010	2.3	EDF Energy to provide an amended modification to allow xoserve to undertake a rule analysis.	EDF Energy (SL)	Pending