

Distribution Workstream Minutes
Friday 12 November 2010
National Grid Office, 31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	(MiB)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid Distribution
Alex Ross*	(ARo)	Northern Gas Networks
Andy Lees	(AL)	National Grid Shrinkage
Brian Durber	(BD)	E.ON UK
Cesar Coelho	(CC)	Ofgem
Chris Warner	(CW)	National Grid Distribution
David Watson	(DW)	British Gas
Gareth Evans	(GE)	Waters Wye Associates
Ian Morton	(IM)	RWE npower
Joanna Ferguson*	(JF)	Northern Gas Networks
Joel Martin	(JM)	Scotia Gas Networks
Jonathan Wisdom	(JW)	RWE npower
Karen Kennedy	(KK)	ScottishPower
Linda Whitcroft	(LW)	xoserve
Mark Jones	(MJ)	SSE (alternate for A Frak)
Mo Rezvani	(MR)	SSE
Richard Street	(RS)	Corona Energy
Sallyann Blackett	(SB)	E.ON UK
Simon Trivella	(ST)	Wales & West Utilities
Stefan Leedham	(SL)	EDF Energy
Steve Mulinganie	(SM)	Gazprom
Tabish Khan	(TK)	Ofgem

* denotes via a teleconference link

1. Introduction and Status Review

1.1. Minutes from the previous meeting

The minutes of the previous Standards of Service and Distribution Workstream Meetings held on 28 October 2010 were approved.

1.2. Review of action from previous meetings

BF asked, and those present agreed, to review the outstanding action items as part of item 2.0 Discussion Items below, although they remain as presented here for ease of clarity.

Action UNC0282 016: Shippers to send the Joint Office details of last years sites that could have been declared LTV with an AQ value to determine how much energy could be smeared into RbD and avoided by that Shipper. This will be aggregated and summarised at the next meeting.

Action Update: Following an update on Proposal 0282 under item 2.1 below BF asked, and those present, agreed to close the action. **Closed.**

Action UNC0282 017: Shippers to provide examples of vacant site durations to determine typical length of vacant sites.

Action Update: Following an update on Proposal 0282 under item 2.1 below BF asked, and those present, agreed to close the action. **Closed.**

Action UNC 0282 021: Further consideration to be given to Mod640 Charges and appropriate Business Rules.

Action Update: Following an update on Proposal 0282 under item 2.1 below BF asked, and those present, agreed to close the action. **Closed.**

Action UNC 0282 022: xoserve to consider the rules analysis and the ability to provide cumulative reports.

Action Update: Following an update on Proposal 0282 under item 2.1 below BF asked, and those present, agreed to close the action. **Closed.**

Action UNC 0282 023: National Grid Distribution to request ROM.

Action Update: Following an update on Proposal 0282 under item 2.1 below BF asked, and those present, agreed to close the action. **Closed.**

Action Dis0808: 0045Dis, Handling of Emergency Situations at Priority Customer Sites – Provide a statement of the actions/approach to be taken by Transporters when attending commercial that should be considered a priority.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0907: UNC0330 - All to provide further comments/ suggestions to MR by 07 October 2010 for consideration/inclusion in the Proposal; MR to revise Proposal as appropriate.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0908: UNC0331 - Review the suggested text and make sure it mirrors the changes proposed, with a view to completing the draft Report at next month's meeting.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis0909: 0047Dis Third Energy Package – 1) Revise table and make available to Shippers for completion, via Joint Office website. 2) Shippers to complete and return to xoserve and Ofgem for initial consideration.

Action Update: Following an update on the topic under item 2.2 below BF asked, and those present, agreed to close the action. **Closed.**

Action Dis1001: UNC0292 - Rules to be outlined for AQ Amendments, considering how files will be processed.

Action Update: Following an update on the topic under item 2.3 below BF asked, and those present, agreed to close the action. **Closed.**

Action Dis1002: UNC0292 - Transporters to obtain a view from xoserve on managing a daily allowance.

Action Update: Following an update on the topic under item 2.3 below BF asked, and those present, agreed to close the action. **Closed.**

Action Dis1003: UNC0282 – Investigate how the process will work between SPAA and the UNC, what the potential impact is upon the modification proposal itself and ascertain whether or not, non-signatories to the SPAA would be excluded.

Action Update: Following an update on modification 0282 under item 2.1 below BF asked, and those present, agreed to close the action. **Closed.**

Action Dis1004: DNs to organise a workshop to ‘walk through’ the various scenarios (and timelines) for changing the status of the 1700 interruptible supply points to firm.

Action Update: Action not reviewed. **Carried Forward.**

Action Dis1005: Shippers to identify their requirements to enable the Networks to include consideration of these in their proposed workshop.

Action Update: Action not reviewed. **Carried Forward.**

2. Discussion Items

Copies of the following presentation materials are available to view &/or download from the Joint Office of Gas Transporters web site at: <http://www.gasgovernance.co.uk/dist/121110>.

2.1. Proposal 0282 - Introduction of a process to manage Vacant sites

To access the corresponding SPAA Change Request, please click on the following link: <http://www.spaa.co.uk/change-proposal-register-new/spaa-detail?cpnodeid=187993>.

The outstanding action items associated with this modification were reviewed, as follows:

UNC 0282 016 Update – LW advised those present that she did not have any further information to add apart from confirming that she had received the necessary data from KK. BF asked, and those present, agreed to close the action.

UNC 0282 017 Update – BF advised that no new information had been forthcoming. BF asked, and those present, agreed to close the action.

UNC 0282 021 Update – LW confirmed that the 0640 charges still apply. BF asked, and those present, agreed to close the action.

UNC 0282 022 Update – LW confirmed that xoserve had considered the rules and have ‘moved forward’ based on the requirements. BF asked, and those present, agreed to close the action.

UNC 0282 023 Update – CW confirmed that the ROM had been requested which maybe ready for 19/11/10. BF asked, and those present, agreed to close the action.

Dis1003 Update – BF confirmed that this action had been completed. BF asked, and those present, agreed to close the action.

2.1.1 Business Rules Review

KK provided a brief overview of the business rules.

In reviewing the business rules, those present considered the likely impact of undertaking (simultaneous or otherwise) changes to either the Proposal and/or the corresponding SPAA change.

There then followed an extensive debate on what constitutes ‘reasonable steps’ and how best to define ‘reasonable’ in the context of the Proposal and specifically item 17 of these business rules. In considering how best to place an obligation on Non SPAA parties, views remained polarised on the best option as it was felt that the true test of ‘reasonableness’ would potentially take place in a court of law. In the end, the consensus was to keep the text as is. However, it was agreed to include a statement within a revised version of the Proposal that highlights the fact that any concerns relating to the relationship between the UNC and the SPAA

Schedule should be addressed via the Code consultation process and not included within these business rules.

Moving on to consider whether or not, any form of control on Shippers (relating to vacant sites) is required to ensure that they 'warrant' to abide by these business rules, RS believed it highly unlikely that Shippers would wish to risk their respective licences by not complying. KK confirmed that consideration of the 'initial site warranting' was included within the Proposal. When asked, LW agreed to investigate enhancing the proposed reports to include age analysis for vacant sites (by Shipper).

In closing, KK agreed to prepare a revised business rules document to reflect the points raised and provide it in time for the 25/11/10 meeting.

New Action UNC 0282 024: xoserve (LW) to investigate enhancing the report suite to include 'age analysis' for vacant sites (by Shipper).

New Action UNC 0282 025: ScottishPower (KK) to prepare a revised business rules document to reflect the points made in the meeting in time for consideration at the 25/11/10 meeting.

2.1.2 Workstream Report

BF made on screen changes to the draft Workstream Report in response to discussions around the table.

When asked if a reference to Non SPAA parties could be added to the report, KK responded to say it could.

2.2. 0047Dis – Third Energy Package

The outstanding action items associated with this modification were reviewed, as follows:

Dis0909 Update – In assessing the options listing, parties noted that other market factors such as ongoing DECC discussions and potential licence changes could have an impact on consideration of the matter. TK confirmed that the Authority and DECC are currently reviewing the licence and a changed version should be available soon.

Those present debated rationalising the list to leave options 1, 6, 8 9 & 10 as their preferences.

BF asked, and those present, agreed to close the action (Dis0909), but raise a new one to place an obligation on Shippers to feedback their thoughts on the new listing options.

New Action Dis1101: All Shippers to review the revised Assessment Table Options (complexity scale) and provide feedback at the next meeting.

2.3. Proposal 0292: Proposed change to the AQ Review Amendment Tolerance for SSP sites

Dis1001 Update – When asked, KK confirmed that she believes that the proposal, as drafted, takes into consideration how the AQ Amendment files will be processed. BF asked, and those present, agreed to close the action.

Dis1002 Update – BF asked, and those present, agreed to close the action (Dis1002), but raise a new one for xoserve and the Transporters to prepare a high level guidance document that outlines how parties would approach undertaking consideration and calculation of their respective limits (caps).

In reviewing the draft Workstream Report on screen, parties discussed the apportionment of system capacity and whether Shippers could use any within day spare capacity. They see this as helping them understand what ‘headroom’ they have. LW reminded those present that where an application is submitted which potentially ‘breaches’ the industry cap, other submissions from other parties are rolled-over to the next day. She went on to accept a new action to investigate what would happen in the event that a submission breaches a Shipper’s daily limit (cap) and whether or not, the whole of the file, or simply just a part of the file would be rejected. JF pointed out that she is expecting to define the caps in the drafting of the ‘final’ legal text. It was also suggested that the issue of referrals should also be included within the Proposal as well.

JF indicated that she has some concerns surrounding the clarity of market share requirements and requested that shippers consider this and report back their views to her. BF went on to indicate that in light of these discussions and the proposed changes to the Proposal, no further work on the workstream report would be undertaken at this meeting. CW pointed that to achieve the ‘target’ date for this matter, the report must be completed at the next meeting.

New Action Dis1102: xoserve (LW) to investigate what would happen in the event that a submission breaches a Shipper’s daily limit (cap) and whether or not, the whole of the file, or simply just a part of the file would be rejected.

New Action Dis1103: xoserve and Transporters (LW/CW/JF) to prepare a high-level guidance document that outlines how parties would approach undertaking consideration and calculation of their respective limits (caps).

2.4. Proposal 0326: Allocation of unidentified gas following the appointment of the Allocation of Unidentified Gas Expert (AUGE)

BF commenced changes to the draft Workstream Report on screen in line with discussions. However, during discussions the meeting became non quorate at which point work on the report ceased and a new action was placed on parties to review the amended version of the Workstream report (to be published on the Joint Office web site). Thereafter, and subject to no adverse comments, it will be presented to the December Panel for their consideration.

In closing, KK undertook a new action to consider how the apportionment of costs for discontinuing or new Shippers is accommodated within the Proposal.

New Action Dis1104: All parties to review the amended version of the 0326 workstream report and provide feedback where appropriate.

New Action Dis1105: ScottishPower (KK) to consider how the apportionment of costs for discontinuing or new Shippers is accommodated within the Proposal.

2.5. Proposal 0330: Delivery of additional analysis and derivation of Seasonal normal weather

Discussion deferred until the 03/12/10 meeting.

2.6. Proposal 0331: Demand Estimation Section H Changes to Processes and Responsibilities

Discussion deferred until the 03/12/10 meeting.

2.7. Proposal 0335: Offtake Metering Error – Payment Timescales

Discussion deferred until the 25/11/10 meeting.

3. AOB

None.

4. Diary Planning for Workstream

The next meetings are scheduled as follows:

- Thursday 25 November 2010, 10:00, Elexon, 350 Euston Road, London, and
- Friday 03 December 2010, 10:00, National Grid Office, 31 Homer Road, Solihull.

Distribution Workstream Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UNC 0282 016	25/08/10	2.3	Shippers to send the Joint Office details of last years sites that could have declared LTV with an AQ value (excluding isolated sites) to determine how much energy could smeared into RbD and avoided by that Shipper. This will be aggregated and summarised at the next meeting.	All Shippers	Update provided. Closed
UNC 0282 017	25/08/10	2.3	Shippers to provide examples of vacant site durations to determine typical length of vacant sites.	All Shippers	Update provided. Closed
UNC 0282 021	20/09/10	2.1	Further consideration to be given to Mod640 Charges and appropriate Business Rules.	All	Update provided. Closed
UNC 0282 022	05/10/10	2.1	Consider the rules analysis and the ability to provide cumulative reports.	xoserve (LW)	Update provided. Closed
UNC 0282 023	05/10/10	2.1	ROM to be requested.	National Grid Distribution (CW)	Update provided. Closed
Dis0808	26/08/10	3.1	0045Dis, Handling of Emergency Situations at Priority Customer Sites – Provide a statement of the actions/approach to be taken by Transporters when attending commercial that should be considered a priority.	Wales & West Utilities (ST)	Carried forward
Dis0907	23/09/10	2.6	UNC0330 - All to provide further comments/ suggestions to MR by 07 October 2010 for consideration/inclusion in the Proposal; MR to revise Proposal as appropriate.	ALL and SSE (MR)	Carried forward
Dis0908	23/09/10	2.7	UNC0331 - Review the suggested text and make sure it mirrors the changes proposed, with a view to completing the draft Report at next month's meeting.	E.ON (SB) and SGN (JM)	Carried forward

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0909	23/09/10	3.3	0047Dis Third Energy Package – 1) Revise table and make available to Shippers for completion, via Joint Office website. 2) Shippers to complete and return to xoserve and Ofgem for initial consideration.	xoserve (AM) and ALL Shippers	Part 1 - Complete. Part 2 – Closed.
Dis1001	12/10/10	2.1	UNC0292 - Rules to be outlined for AQ Amendments, considering how files will be processed.	Scottish Power (KK)	Closed
Dis1002	12/10/10	2.1	UNC0292 - Transporters to obtain a view from xoserve on managing a daily allowance.	Transporters	Closed
Dis1003	28/10/10	2.1	UNC0282 - Investigate how the process will work between SPAA and the UNC, what the potential impact is upon the modification proposals itself and ascertain whether or not, non-signatories to the SPAA would be excluded.	ScottishPower (KK)	Update provided. Closed
Dis1004	28/10/10	3.5	Organise a workshop to 'walk through' the various scenarios (and timelines) for changing the status of the 1700 interruptible supply points to firm.	DNs	Carried Forward
Dis1005	28/10/10	3.5	Identify their requirements to enable the Networks to include consideration of these in their proposed workshop.	Shippers	Carried Forward
Dis1005	28/10/10	3.5	Identify their requirements to enable the Networks to include consideration of these in their proposed workshop.	Shippers	Carried Forward
UNC 0282 024	12/11/10	2.1.1	Investigate enhancing the report suite to include 'age analysis' for vacant sites (by Shipper).	xoserve (LW)	Update to be provided.

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UNC 0282025	12/11/10	2.1.1	Prepare a revised business rules document to reflect the points made in the meeting in time for consideration at the 25/11/10 meeting.	ScottishPower (KK)	Update to be provided.
Dis1101	12/11/10	2.2	0047Dis - Review the revised Assessment Table Options (complexity scale) and provide feedback at the next meeting.	All Shippers	Update to be provided.
Dis1102	12/11/10	2.3	Investigate what would happen in the event that a submission breaches a Shipper's daily limit (cap) and whether or not, the whole of the file, or simply just a part of the file would be rejected.	xoserve (LW)	Update to be provided.
Dis1103	12/11/10	2.3	Prepare a high-level guidance document that outlines how parties would approach undertaking consideration and calculation of their respective limits (caps).	xoserve & Transporters (LW/CW/JF)	Update to be provided.
Dis1104	12/11/10	2.4	Review the amended version of the 0326 workstream report and provide feedback where appropriate.	All	Update to be provided.
Dis1105	12/11/10	2.4	Consider how the apportionment of costs for discontinuing or new Shippers is accommodated within the Proposal.	ScottishPower (KK)	Update to be provided.