

Introduction of a process to manage Long Term Vacant sites UNC0282 Minutes

10:30 Monday 20 September 2010

Holiday Inn, 61 Homer Road, Solihull

Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Alan Raper	AR	National Grid Distribution
Alison Jennings	AJ	xoserve
Carly Chambers	CC	Spark Energy
Chris Warner	CW	National Grid Distribution
Joanna Ferguson	JF	Northern Gas Networks
Joel Martin	JM	Scotia Gas Networks
Karen Kennedy	KK	Scottish Power
Linda Whitcroft	LW	xoserve
Mark Jones	MJ	SSE
Robin Healy	RH	RWE npower
Simon Trivella	ST	Wales & West Utilities

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 meetings

Action 0282 006: xoserve to consider the system implications of excluding LTV sites from the AQ Review Process.

Action Update: LW requested that this action is carried forward until the rules are fully understood. CW challenged why the rules would be any different for isolations. **Carried Forward.**

Action 0282 010: All to assess the possible solutions for developing and implementing the LTV process.

Action Update: It was agreed to close this action. **Closed**

Action 014: Ofgem to confirm the governance arrangements of changing the SPAA Guidance Documents.

Action Update: Tabish Khan provided an email update providing a summary process from SPAA. KK confirmed she understood that a submission for a SPAA change would need to be scheduled in line with implementation. **Complete.**

Action 015: JW to provide list of codes that can be currently used by the MRA to identify a site as vacant.

Action Update: BF provided an action update provided by Jonathan Wisdom. It was anticipated that E126 would be the only acceptable code. **Complete.**

Action 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: It was agreed that it is necessary to understand the possible demand for the Vacant Site service and the affect on RbD to assist Ofgem's determination and to understand the likely costs and benefits. It was discussed if the Joint Office ought to issue an email requesting details of last years sites once the Business Rules are defined. It was determined a view would be required from Shippers as to whether they would use the service, isolate or isolate and withdraw. It was agreed to raise awareness of this action as an AOB at the next Distribution Workstream but not include isolated sites. **Carried Forward.**

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

Action Update: KK believed that typically vacant site durations tend to be between 6-9 months, however this would be clarified. It was agreed to raise awareness of this action as an AOB at the next Distribution Workstream. **Carried Forward.**

Action 018: xoserve RbD expert to consider the proposal impacts and provide a view/attend the next meeting.

Action Update: LW provided a presentation providing the background to RbD confirming that RbD charges are apportioned on basis of live (not isolated) SSP AQ. Within the presentation a table illustrated a comparison to other/existing scenarios. The suggested treatment for 0282 was keep capacity and RbD smear but not energy allocation and commodity allocation. KK highlighted that the modification includes the RbD smear. The group challenged the inclusion/exclusion of the RbD smear, the use of AOs and the timing of AO decreases. xoserve highlighted that leaving vacant sites in RbD would be different to existing isolation scenarios. **Complete.**

Action 019: Shippers to provide a view on the inclusion of Vacant sites within RbD smear.

Action Update: Ongoing. **Carried Forward.**

2. Review Group Discussion

2.1. Business Rules

KK provided a set of revised Business Rules.

The Vacant Sites would be a new code status, in addition to live, isolated and isolated and withdrawn.

The submission of a date along with the Vacant Sites flag request was discussed and whether a date would need to be provided. It was confirmed that retrospective dates could not be supplied. xoserve confirmed system analysis would need to consider whether the submission of a date would be required or a D+7 date would be instigated following the Shipper update.

LW explained the acceptance of meter reads for isolated sites but not for isolated and withdrawn sites as the system would reject a read due to no asset details. LW confirmed that if the meter has been capped and still in situ a read will load. It was deemed that a vacant site would have a live meter point status.

Some concern was expressed about meter points sitting indefinitely in a vacant site pot. KK highlighted that the response to Action 017 would assist understanding the average period of vacant sites and help determine

a maximum period of time a site could remain vacant before isolation ought to be enacted.

JM asked about the legal text and whether xoserve and the scheduled provider of legal text ought to get together as it may be prudent to consider the draft legal text to review if any considerations have been overlooked.

It was suggested that a code obligation ought to exist for the reporting of vacant sites every month after the initial 24 months. LW explained that the complexity of the report would need to be understood to determine what information should be included.

Action 020: Further consideration to be given on the data items, format and frequency of the reporting (KK and xoserve).

CW asked about retrospective adjustments where it has been identified that gas has been offtaken he highlighted that TPD Section G3.7.4, G3.7.5 has a rule for this scenario for isolations. LW explained that xoserve creates an offline adjustment in instances where a planned GSR cut off establishes a site has not been isolated and gas has been consumed. The adjustment would be treat the site as live resulting in commodity and RbD reconciliation being charged.

KK explained that there could be instances where a site has been declared vacant, however prior to this a read may have been obtained but the timing of recoding this consumption could be delayed whilst a site is reported as vacant. A debate occurred on whether there should be a requirement for Shippers to provide a read at the point a site is classified as Vacant, as the current isolation process.

It was agreed that further consideration needs to be given to an advanced meter read that may have occurred before a site had been classified as vacant, however LW expressed concern about how xoserve would handle this without having a start read at the beginning of the process. Further consideration of this is required for the Business Rules.

CW asked if a Transporter identifies a site is not vacant would the Shipper want to be notified. ST pointed out there is a rule in the UNC where Transporters are obliged to notify Shippers of information that differs to that recorded on Sites and Meters. It was questioned whether there ought to be an obligation in code for Shippers to take appropriate action if a Transporter provides notification that site information differs to that on sites and meters.

LW asked if the reporting process should also include details of removed Vacant site flag to allow the industry to monitor what is going in and what is going out. This would also assist with understanding typical vacant periods and to ensure flags are not just being added without activity of removals.

It was questioned if a read would be needed at the point of re-instatement when a vacant site comes out of the vacant site status. LW expressed concern about not having reads at the point of entering and/or exiting the process for the purpose of billing.

AJ expressed concern about the number of reads that are normally submitted and whether xoserve would have to consider from these reads if a site was vacant or not and how the validation would work.

During discussions BF made some change marked amendments to the Business Rules for Scottish Power to consider further.

The SPAA Business Rules were also considered.

JM questioned Rule 4 regarding advanced meter reads.

CW asked about possible AQ increases during the AQ Review and whether a site would automatically come out of the Vacant Site process. It was determined that a business Rule needs to exist for xoserve to remove the flag, where an AQ increase occurs or where a site moves from SSP to LSP. This would also attract Mod640 charges as it would be determined that a site must have been consuming as for it to cross the threshold. MJ asked about the duration of the Mod640 charges and whether it would cover the whole period or exclude the period when the site was SSP.

It was envisaged that an SSP meter point within an LSP supply point configuration would be excluded.

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

JM noted that a SPAA rules still exists for sites that have been vacant for 24 months, which was inconsistent with the proposals Business Rules.

JM also pointed out that a site is not set to dead unless a site has been isolated and withdrawn.

2.2. Workstream Report

Consideration of the Workstream Report was deferred.

3. AOB

None raised.

4. Diary Planning for Workstream

The focus of the next meeting will be to re-consider the following aspects of the Business Rules:

- Demand for Vacant Site Service
- RbD Impacts
- Meter Reads (entry/exit and advanced reads)
- Mod640 Charges
- Reporting – data, format, frequency

and will take place on 05 October 2010, 10:30, at the Holiday Inn, Solihull.

UNC0282 Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0282 006	24/05/10	2.1	xoserve to consider the system implications of excluding LTV sites from the AQ Review Process.	xoserve (LW)	Carried Forward
0282 010	29/06/10	2.4	ALL to assess the possible solutions for developing and implementing the LTV process.	ALL	Closed
0282 014	25/08/10	2.1	Ofgem to confirm the governance arrangements of changing the SPAA Guidance Documents.	Ofgem (TK)	Complete
0282 015	25/08/10	2.1	JW to provide list of codes that can be currently used by the MRA to identify a site as vacant.	RWE npower (JW)	Complete
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 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	Carried forward
0282 017	25/08/10	2.3	Shippers to provide examples of vacant site durations to determine typical length of vacant sites.	All Shippers	Carried forward
0282 018	25/08/10	2.4	xoserve RbD expert to consider the proposal impacts and provide a view/attend the next meeting.	xoserve (FC)	Complete
0282 019	25/08/10	2.4	Shippers to provide a view on the inclusion of RbD within smear.	All Shippers	Carried forward
0282 020	20/09/10	2.1	Further consideration to be given on the data items, format and frequency of the reporting (KK and	Scottish Power and xoserve (SP/LW)	Pending

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			xoserve).		
0282 021	20/09/10	2.1	Further consideration to be given to Mod640 Charges and an appropriate Business Rules.	All	Pending