

Distribution Workstream Minutes
Thursday 22 October 2009
31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Anne Jackson	AJ	Scottish and Southern Energy
Beverley Viney	BV	National Grid NTS
Brian Durber	BDu	E.ON UK
Chris Hill	CH	RWE npower
Chris Warner	CW	National Grid Distribution
Dave Watson	DW	British Gas
David Winter	DW	RWE npower
Elaine Carr	EC	Scottish Power
Gareth Evans	GE	Waters Wye
Jemma Woolston	JW	Shell Gas Direct
Joel Martin	JM	Scotia Gas Networks
Linda Whitcroft	LW	xoserve
Mark Perry	MP	xoserve
Phil Broom	PB	GDF Suez
Phil Lucas	PL	National Grid Distribution
Richard Street	RS	Corona Energy
Stefan Leedham	SL	EDF Energy
Steve Mulinganie	SM	Onshore Consulting
Sue Prosser	SP	xoserve

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 Distribution Workstream meetings

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

Action Update: PB confirmed that information had been provided by the Transporters and gave an update on the types of historical meter reading types available. A meeting is still to be arranged between GDF Suez, Corona Energy and Transporters. **Carried Forward.**

Action Dis0801a: British Gas to consider and discuss the UNC0231 validation questions raised within xoserve's presentation.

Action Update: LW explained that xoserve are not in a position to validate claims submitted by Shippers, as they are not aware if costs are justified or fair. DW confirmed that Shippers are expected to provide evidence and justification on submission of their claim, though this should not be more onerous than the existing scheme. JM highlighted that Ofgem have raised some concerns with the elements of the Reasonable Endeavours scheme being proposed for insertion into the UNC. JM highlighted SGN also have some questions that need to be resolved to enable the production of the

legal text. DW agreed to discuss the concerns directly with Transporters and Ofgem outside the meeting. **Complete.**

Action 0802: UNC0248 - Transporters to consider the level of information required for the ROM and to request a ROM if adequate data is available.

Action Update: SL confirmed that a further amendment was required to the proposal and it was anticipated that the ROM would be available in time for the next Distribution Workstream for further discussion. Transporters are considering the requirements, though the ROM may need to be changed if the revised proposal raises new questions. **Carried Forward.**

Action Dis0803: Topic 0040Dis - National Grid Distribution (AR) to examine the possible timelines for a contracted disconnection service without access to customer premises.

Action Update: CW confirmed that National Grid engineers are considering the complexities of this issue as it conflicts with current policy to disconnect a service pipe where there was no access to the emergency control valve or downstream pipework for the purposes of purging. RS asked what the likely is timeline for an answer. CW advised a meeting with policy engineers is being arranged and an update will be provided in due course. **Carried Forward.**

Action Dis0901: UNC0224 - Transporters to update the Workstream on implementation progress.

Action Update: ST confirmed that the UK Link committee would be considering the implementation of UNC0224 at their November meeting, with the likely date of implementation during November 2010. PB expressed concern with the implementation date and requested an earlier date is considered. ST confirmed an update would be provided following the UK Link meeting. **Carried Forward.**

Action Dis0902: UNC0259 - Scotia Gas Networks to confirm if costs are charged for the removal of IS equipment.

Action Update: SM asked for clarification on whether users and/or agents were or are likely to be charged for the removal of IX equipment. ST and JM confirmed that no charge is currently levied or proposed for the removal of IX equipment. **Complete.**

1.3. Review of Live Modifications

BF outlined the live Modification Proposals.

2. Modification Proposals

2.1. Proposal 0248: Meter Reading Replacement

SL requested that this item is carried forward to the next Workstream, he confirmed that a further amendment was required to the Modification Proposal and he anticipated that the amendment and subsequent ROM would be available in time for the November Distribution Workstream. The intention will be to complete the Workstream Report at the November Distribution Workstream for consideration at the December UNC Panel Meeting.

ST expressed that there needs to be clear evidence of the demand to determine future development and consideration needs to be given on the recovery of development and operational costs.

SL believed that the proposal might be considered User Pays as it amends xoserve systems. This is due to discussions at a recent Panel meeting and further guidance is being sought from Ofgem on the definition of User Pays.

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

For information purposes, ST provided a presentation illustrating a draft report for objection rates based on the proposal.

The benefit of the report and its subsequent use was discussed and the report was to aid visibility of objection rates within the community.

GE challenged the different columns within the draft report suggesting that only 2 columns were requested in the current Modification Proposal and not 5 columns detailed in this draft report. ST explained the inclusion of the different columns and their relevance and that there was a level of ambiguity in their quantity and description. GE thought there might be a level of ambiguity in Modification Proposal, though in his view the requirement is for the Shipper Short Code (incumbent) and the percentage of objections cancelled. There was a general consensus that the draft report is more beneficial with the 5 columns presented rather than just the two proposed. However, DW expressed concern over the value of the report, as there was no intention to apply sanctions and no review of ongoing performance.

2.3. Proposal 0268: Changes to the Provisions Determining the Earliest Reading Date Applicable within the AQ Review

PL provided a presentation on AQ, explaining how AQ is derived from historic consumption to represent consumption for the next 12 months. PL also explained Relevant Metered period and AQ backstop date.

PL advised the AQ backstop date is currently static in code and becomes less relevant as each year passes and the proposal is aimed at removing the static backstop date. It is proposed to allow the rolling forward of the date, with the revised back stop date being the 1st October on the 4th year preceding the seasonal normal review.

SL was supportive of the principle, though was concerned over timing as the current timeline gave very little space for slippage and Users may find it difficult to implement system changes in time, particularly if the implementation decision is delayed.

CW felt the timeline is achievable and following discussion at DESC hoped to conclude the Workstream report in November for submission to Panel in December.

Action Dis1001: xoserve/National Grid Distribution to provide an update on the discussions in DESC and report back to the November Distribution Workstream.

3. Topics

3.1. 014Dis, CSEP NExA Agreements

The Workstream agreed to close this Topic.

3.2. 038Dis, Emergency Contact Details

ST explained that the industry are reviewing the central management of emergency contact details and that RG0252 are also considering the use

of a centralised mechanism for maintaining Shipper contact details for invoicing and credit purposes.

3.3. 039Dis, Transfer of Meter Asset and Read History to New Suppliers

See Action Update Dis0705. No further update provided.

3.4. 0040Dis, Disconnection Timescale

See Action Dis0803. No further update provided.

3.5. New Topic

3.5.1. Invoicing Validation Rules – Mod 0640

SL introduced the new topic and provided a presentation on the current invoicing validation rules supporting Mod 0640. The rules were implemented during 2004 to encourage Shippers to proactively manage SSP/LSP threshold crossers. Mod 0095 introduced rules to allow reconciliation of SPs, which had changed supplier during the year. However, the 'previous' Supplier has no way to validate the reconciled invoices. He believed that Shippers should not be asked to pay an invoice that cannot be validated,

PB thought it might be possible to obtain the relevant supporting information using existing SPA processes. However, SP did not think this was possible due to restrictions on the provision of information. CW felt the issues surrounding protected information were not insurmountable and that an answer could be found.

CW was mindful that Mod Proposal 0095 was implemented with the current business rules and parties were aware of the data issues at the time.

SL suggested that a UNC Review Proposal maybe required to review the payment process, consider xoserve system impacts and any data protection issues.

The Workstream agreed to raise a Topic on the agenda.

3.5.2. SSP Amendment Rules

SL provided a presentation on the current UNC provisions and explained a number of contradictions within UNC. SL explained an AQ revision placing an LSP into SSP category is rejected if the revision is less than 20% of the AQ and the site remains LSP. This creates tensions between Mod640 provisions and G1.6.6 requires and adds costs for Shippers.

RS questioned the materiality of the issue and if there were many sites affected by this issue. SL asked if it was possible to identify number of sites. SP confirmed that 11% of the 7,000 sites appealed were rejected but not all are due to the 20% rule.

SP explained that xoserve undertook a trial of a new report based on 2008 numbers, which were circulated on the 22 Jan 2009. The report informed the industry of potential threshold crossers, to allow Shippers to obtain a read and confirm the AQ. However, 70% of the sites listed were later confirmed as threshold crossers.

RS explained that there is an appeal mechanism for threshold crossovers albeit more laborious, though he was interested in the number of threshold crossovers that are appealed, as this is the type of evidence required by Ofgem if a Modification Proposal is raised. SP was reluctant to commit to providing full analysis as not all the reasons for AQ appeal are known to xoserve and Shippers may not appeal sites, which do cross the threshold but would fail the 20% rule.

Action 1002: xoserve to provide the number of threshold LSP to SSP crossers that have been appealed between September and December 2008.

Action 1003: EDF to provide some statistical evidence of threshold crossers from their portfolio.

RS wished to minute that a discussion on materiality and required evidence had taken place at the meeting and that xoserve were unable to provide the level of details requested due to time constraints and cost.

SL believed that any subsequent Modification Proposal would be User Pays based on recent discussions at Panel, as it is likely to seek changes to xoserve systems.

SP expressed concern with the ability to implement a solution in time for the next AQ amendment window and was concerned about the level of system changes and the ability to change systems in time. SL asked if a manual work around could be operated depending on the demand for the service. BF asked if a ROM could be produced without a Modification Proposal on the table. CW believed as long as the requirements were understood a ROM could be provided.

SL requested feedback from the workstream and hoped to present a draft Modification Proposal for discussion. The Distribution Workstream agreed to raise a Topic on Agenda.

4. AOB

None.

5. Diary Planning for Workstream

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

Thursday 14 January 2009, 10:00, Elexon, 350 Euston, London ??? SoS Mtg.

Distribution Workstream Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0705	23.07.09	3.3.1	GDF Suez (PB) and Corona (RS) to meet with the Transporters to discuss options for the transfer of Meter Asset and Read History to New Suppliers.	GDF Suez (PB) and Corona (RS)	Carried Forward
Dis0801a	24.09.09	1.2	British Gas to consider and discuss the UNC0231 validation questions raised within xoserve's presentation.	British Gas (DW)	Completed
Dis0802	27.08.09	2.2	UNC0248 - Transporters to consider the level of information required for the ROM and to request a ROM if adequate data available.	Transporters	Carried Forward
Dis0803	27.08.09	3.4	National Grid Distribution (AR) to examine the possible timelines for a contracted disconnection service without access to customer premises.	National Grid (AR)	Carried Forward
Dis0901	24.09.09	1.3	UNC0224 - Transporters to update the Workstream on implementation progress.	Transporters	Ongoing
Dis0902	24.09.09	2.5	0259 - Scotia Gas Networks to confirm if costs are charged for the removal of IS equipment.	Scotia Gas Networks (JM)	Completed
Dis1001	22.10.09	2.3	xoserve/National Grid Distribution to provide an update on the discussions in DESC and report back to the November Distribution Workstream.	Xoserve/National Grid Distribution (MP/CW)	Pending
Dis1002	22.10.09	3.5.2	xoserve to provide the number of threshold LSP to SSP crossers that have been appealed between September and December 2008.	xoserve (SP)	Pending
Dis1003	22.10.09	3.5.2	EDF to provide some statistical evidence of threshold crossers from their portfolio.	EDF Energy (SL)	Pending