

Introduction of a process to manage Long Term Vacant sites
UNC0282 Minutes
10:30 Monday 24 May 2010
Renewal Centre, Lode Lane, Solihull

Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Alison Jennings	AJ	xoserve
Bali Dohel	BD	Scotia Gas Networks
Chris Warner	CW	National Grid Distribution
Darren Lindsey	DL	E.ON UK
Elaine Carr	EC	Scottish Power
Joanna Ferguson	JF	Northern Gas Networks
Joel Martin	JM	Scotia Gas Networks
Linda Whitcroft	LW	xoserve
Mark Jones	MJ	SSE
Stefan Leedham	SL	EDF Energy
Steve Mulinganie	SM	Gazprom
Tabish Khan	TK	Ofgem

1. Introduction and Status Review

1.1. Minutes from the previous Distribution Workstream meeting

The minutes from the previous were approved.

1.2. Review of actions from previous Distribution Workstream meetings

Action Dis0301: AW to confirm the level of take up on the Electricity's Vacant Site Process.

Action Update: EC confirmed that the information provided by Andrew Wright, Elexon is being considered and an update will be provided as soon as possible. **Carried Forward.**

Action Dis0302: AW to provide information on the number of vacant sites and the typical vacant period within the Electricity market.

Action Update: EC confirmed that the information provided by Andrew Wright, Elexon is being considered and an update will be provided as soon as possible. **Carried Forward.**

Action Dis0303: AW to provide some details on the de-energising process and timescales.

Action Update: EC confirmed that the information provided by Andrew Wright, Elexon is being considered and an update will be provided as soon as possible. **Carried Forward.**

Action 0282 001: BD to gather references to the legislation in reference to E.ON's internal legal opinion on the gaining of warrants to access vacant premises on safety.

Action Update: Brian Durber provided a post meeting published with last months minutes. **Complete.**

Action 0282 002: JF to use NGN statistical assumptions for all Networks to estimate the number of unoccupied and vacant sites with a gas supply.

Action Update: JF confirmed that work is underway, she anticipated providing a post meeting note for the next meeting. **Carried Forward.**

Action 0282 003: All to consider the impacts of removing capacity rights and charges.

Action Update: SL questioned the SSP sites process for booking capacity and if there was an obligation on Transporters. It was acknowledged that an SSP site couldn't be prevented from increasing its capacity. SL highlighted that if an LSP site makes a commercial decision to give up its capacity and subsequently wants capacity it will need to be re-applied for through the site-works process. With an SSP site if the pipework is gassed up then it can reconnect and take a supply, although an SSP site has the right to supply if it is within 23 meters of a relevant gas main. SL believed that further consideration was required for reconnections and capacity rights. **Carried Forward.**

Action 0282 004: SM to ascertain how DM sites could be managed when there is zero consumption and how this would fit into the vacant site process, and what benefits could be achieved accessing the process.

Action Update: SM confirmed that DM sites would want access to an LTV solution; he believed the principle should be available to all. He confirmed that the risk of losing capacity would need to be managed. SM was keen to have a nondiscriminatory process. SL highlighted that the setting of AQs is different for SSP and DM sites. An SSP AQ is related to its meter reads whereas a DM site needn't be. SL suggested there might be a need to differentiate between Long Term and Short Term solutions. JM commented that DM supply points are distinctly different to SSP and need to show commitment to capacity. The isolation and withdrawal process was considered. EC believed that there would be different impacts with different solution and these need to be considered. However, SM was looking for a generic approach. LW questioned the use of the siteworks process. AJ challenged if a service is disconnected why the isolation and withdrawal process wouldn't be used. SL believed there could be two different regimes. SM expressed that there's needs to be a principle that SSP and DM markets should have access to the LTV solution. He suggested if this proposal progresses without the inclusion of DM sites he would ensure an alternative is raised. SL believed there was a sufficient difference between the two markets sectors to warrant a different approach. **Carried Forward.**

Action 0282 005: KK to produce a strawman and Business Rules for consideration at the next meeting.

Action Update: EC confirmed that an initial Strawman had been developed for the meeting. However this action was carried forward for further discussion. **Carried Forward.**

2. Review Group Discussion

2.1. Strawman

EC provided a presentation, which included the scope of the Vacant Site Process; she confirmed that DM sites had been excluded at this point, as there is a process for reducing capacity at DM sites however DM sites could be incorporated if benefits were identified. It was agreed on the production of the Business Rules that DM sites would be considered.

JM asked what the split was for Capacity and Commodity comparing it to the Electricity Market. SL believed this would vary on the load size sometimes it could be 95% and 5% or 50% and 50%.

EC proposed a 3-month trigger for the process i.e. two failed meter read attempts. BD questioned a site being classed as LTV for external meter boxes.

CW asked about supply contracts being in place should a party move into the property and start consuming gas. SL believed there would be a deemed contract. CW questioned the Supplier retaining site registration, when it was vacant with no bill payment, he wished to understand what would happen when a new customer moves in.

LW asked about final reads and customers confirming that a site will be left vacant, it was questioned if this could trigger the process. SL explained the difference between LTV sites - tenants may move out without knowledge of when a site will be re-occupied. EC confirmed that a site visit/failed read would be the first trigger, if a subsequent read could not be obtained the site can be classified as LTV.

It was questioned when a site comes out of the LTV status and how start up consumption would be confirmed. It was agreed that if any gas was offtaken charges would need to be applied. It was agreed this needed to be considered further and included within the Business Rules. CW explained retrospective charges should be applied to the Shipper. CW explained if a site has been isolated and withdrawn and a customer re-connects without obtaining a supplier, the retrospective charges should be applied to the Shipper who set the LTV status.

JM asked about failed datalogger reads and the estimation process.

LW asked about safety implications and gas escapes. CW suggested that there is a need to go through the safety aspects in more detail. EC highlighted the need to consider how to ensure only genuine LTV sites are classified. What evidence is required, how this will be flagged on UK Link, what would the read requirements be and what safety inspections are required?

SL asked about referring to "3 months", highlighting that the electricity market is considering a change to calendar days. EC acknowledged the use of calendar days is likely to be preferable.

CW expressed concern with amending the AQ to 1. The AQ is reflective of the previous 12 months consumption. It was agreed further consideration was required on how to re-instate an AQ and the likelihood of obtaining meter reads. The site works process was considered for re-establishing a site, particularly LSP.

EC questioned if there was an option to retain the AQ and simply use a flag. It was suggested that xoserve could provide a report on LTV flagged sites. This was considered, though there maybe impacts on network analysis. EC suggested the previous AQ could be reinstated when an LTV site is re-established.

LW asked about the billing process and if this would be immediate or with a short time lapse.

The AQ review process was considered and how an LTV could be managed. It was questioned how the rules would work, should certain types of site be excluded? However, LW questioned how xoserve would manage an amendment under the AQ Review Process with an LTV flag.

EC asked about having an LTV flag and subsequently finding a read had been submitted showing an advance. SM suggested that this should automatically trigger the removal of the flag by default.

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

It was discussed whether the principal needs to be established on whether to change the AQ or just rely on a flag. SM suggested the business rules should define the best solution and the system built to the rules.

EC suggested that the LTV flag would be removed by xoserve if further notifications were not submitted, this would prevent sites being classified as LTV without monitoring.

CW believed that there would be no amendment to the capacity regime if the actual capacity was released there should be no entitlement to get it back should the LTV status change. SM concurred, and could see no reason why a new customer should have to pay for re-enforcement if capacity was available should it be released by an LTV site. CW believed this would not be appropriate for SSP sites as Transporters have obligations to supply domestic premises and consideration would have to be given to LSP. SM believed it was a commercial decision to relinquish capacity rights for LTV sites and Shippers should be allowed to consider the risk. LW asked what would prevent a customer occupying a site and using gas. SM believed customers need to have a supply contract and meet their obligations for offtaking gas.

CW expressed concern about the costs of the solution. It was considered whether to have a proposal without capacity reduction and have an alternative proposal, which included capacity.

EC provided a Process Timeline with an end point of an isolation and withdrawal. EC was keen to have an end point to the process and wondered if a time limit needs to be set for an isolation and withdrawal. She wanted to understand if there are likely to be any issues obtaining warrants for isolations. The use of clamping was considered and that a site needs to be purged out if a gas joint is broken. It was recognised that if a site is isolated and withdrawn after 12 months the meter would be removed under UNC requirements which are similar to GSR.

EC was aware that monitoring requirements were needed. LW suggested that they may want to look at a remedy for the process being abused and what safeguards need to be put in place.

MJ asked if sites with Prepayment Meters would be able to use the scheme.

EC asked if attempts to contact the customer needs to be prescriptive. It was suggested that guidelines could be formulated.

It was agreed that the next meeting should consider the following aspects of the proposal:

- safety implications;
- business rules;
- cost vs benefits;
- risks to the RbD market.
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Action: EC to consider amending the strawman inline with discussions and comments received. See Action RG0252 0005.

3. AOB

None.

4. Diary Planning for Workstream

Tuesday 29 June 2010, 10:30, Renewal Conference Centre, Lode Lane, Solihull, B91 2JR.

Tuesday 27 July 2010, 10:30, Renewal Conference Centre, Lode Lane, Solihull, B91 2JR.

UNC0282 Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0301	25/03/10	2.1	UNC0282 - AW to confirm the level of take up on the Electricity's Vacant Site Process.	Elexon (AW) KK to seek further updates	Carried Forward
Dis0302	25/03/10	2.1	UNC0282 - AW to provide information on the number of vacant sites and the typical vacant period within the Electricity market.	Elexon (AW) KK to seek further updates	Carried Forward
Dis0303	25/03/10	2.1	UNC0282 - AW to provide some details on the de-energising process and timescales.	Elexon (AW) KK to seek further updates	Carried Forward
0282 001	28/04/10	2.3	BD to gather references to the legislation in reference to E.ON's internal legal opinion on the gaining of warrants to access vacant premises on safety.	E.ON UK (BD)	Post Meeting Update Provided Complete
0282 002	28/04/10	2.1	JF to use NGN statistical assumptions for all Networks to estimate the number of unoccupied and vacant sites with a gas supply.	Northern Gas Networks (JF)	Carried Forward
0282 003	28/04/10	2.1	All to consider the impacts of removing capacity rights and charges.	All	Carried Forward
0282 004	28/04/10	2.1	SM to ascertain how DM sites could be managed when there is zero consumption and how this would fit into the vacant site process, and what benefits could be achieved accessing the process.	Gazprom (SM)	Carried Forward
0282 005	28/04/10	2.1	Produce a strawman and Business Rules for consideration at the next meeting.	Scottish Power (KK)	Carried Forward

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)	Pending