

Distribution Workstream Minutes
Thursday 24 June 2010
Elexon, 350 Euston Road, London

Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Andrew Wallace	AW	Ofgem
Alan Raper	AR	National Grid Distribution
Anne Jackson	AJ	SSE
Bali Dohel	BD	Scotia Gas Networks
Brian Durber	BD	E.ON UK
Cesar Coelho	CC	Ofegm
Chris Hill	CH	First Utility
Chris Warner	CW	National Grid Distribution
David Watson	DW	British Gas
Gareth Evans	GE	Waterswye
Jemma Woolston	JW	Shell
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
Phil Broom	PB	GDF Suez
Richard Street	RS	Corona Energy
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy
Steve Mulinganie	SM	Gazprom
Steve Nunnington	SN	xoserve

1. Introduction and Status Review

1.1. Minutes from the previous meeting

KK requested the following amendment to the 27 May 2010 minutes Section 2.3 Proposal 0292: Proposed change to the AQ Review Amendment Tolerance for SSP sites.

“KK accepted that additional business rules were needed and that clarification of data volumes would be useful. She felt that it would be difficult to predict the increase in number of amendments without this data, as SP only have visibility of their own.”

The 08 June 2010 meeting minutes were approved.

1.2. Review of actions from previous Distribution Workstream meetings

Action 0501: UNC0292/3 - xoserve (AM) to identify whether AQ Review system validation parameters can be released to indicate why amendments are passed for manual investigation.

Action Update: LW provided a presentation updating Action 0501 and 0502. See item 2.1. **Complete.**

Action 0502: UNC0292/3 - xoserve (AM) to provide data on numbers passing and failing various AQ Review validation tests, and a profile of when amendments are received.

Action Update: LW provided a presentation updating Action 0501 and 0502. See item 2.1. **Complete.**

Action 0503: ScottishPower (KK) to amend Proposals 0292 and 0293 in light of Workstream discussion.

Action Update: KK confirmed that both proposals would be considered for amendment when there was more information on validations. **Carried Forward.**

Action 0504: British Gas (DW) to amend Proposal 0296 in light of Workstream discussion.

Action Update: BF confirmed that an amended proposal had been published. **Complete.**

Action 0601: UNC0292/3 Shippers to provide xoserve the number of MPRNs likely to be submitted for an AQ amendment as soon as possible by the end of July 2010.

Action Update: KK requested a quicker turnaround on this action. DW believed it was likely that British Gas could provide the information by the end of the week. **Carried Forward.**

Action 0602: Topic 0046Dis, Transporters to consider and clarify how they are going to apply the tendering process.

Action Update: CW confirmed that more time was required to consider this action. He highlighted that the 29 June meeting had been postponed, however an adhoc meeting with the Joint Office will be requested by the end of July. **Carried Forward.**

1.3. Review of Live Modification Proposals

BF briefly ran through the live Modification Proposals that were not on the agenda for discussion.

BF confirmed a letter regarding UNC0231V had been sent to Ofgem. AW explained that there would be associated changes to GT licenses and various reasonable endeavour schemes; he confirmed that Ofgem would be issuing a consultation next month, to set out the planned changes. CW asked about Ofgem's intention to undertake a broader review on theft. DW asked about the consultation process, AW explained there would be a number of questions Ofgem would require answering, the main ones on the subjects of; the level of charges, the reasonable endeavours scheme, the audit process and implications of what is done for iGTs.

CH suggested that 0270 would need an extension request at the July Panel Meeting.

SF confirmed that UNC0271 would be withdrawn.

2. Modification Proposals

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

LW provided a presentation providing an update to Action 0501 and 0502. LW explained the process for system AQ validations. The presentation included a table of the total amendments received including a breakdown of the referrals and rejections.

KK questioned why some amendments were sidelined. LW explained some validation has to take place. KK questioned why all amendments can't go through. RS explained the importance of the validation process to ensure amendments are appropriate; otherwise it would be possible for Shippers to change all their AQs to 0. DW suggested that the rules could be considered to see if these can be refined to allow more amendments to go through.

RS was concerned that too much effort could be expended changing systems to update a few thousand AQs when several million AQs are amended each year – benefits need to be clear.

Action 0603: xoserve to review the AQ Amendment validation filters and consideration given to refining the parameters/rules and the impact this would have.

KK asked about the inconsistency of meter exchange details and asked about the automatic fall out.

LW suggested that examples could be provided to allow a better understanding of the rejections.

Action 0604: xoserve to provide some examples of rejected AQ Amendments.

SL questioned if xoserve had a breakdown by LSP and SSP of the AQ amendments received. LW believed the majority of these would be SSP due to current Shipper processes that filter out amendment requests that would fail to current 20% tolerance on LSPs.

LW provided a profile of the amendments. KK questioned why xoserve had not presented daily submissions, as this would have helped understand the scheduling of amendments around system constraints. SL confirmed that the figures are embedded into the presentation to allow this to be undertaken if required. LW explained that there is a 200,000 limit for submissions each day, she also explained how files are processed if this limit is breached.

2.2. Proposal 0293: Proposed removal of the AQ Review Amendment Tolerance for SSP sites

Further to the xoserve action update and subsequent discussion this item is deferred until the 22 July 2010 Meeting.

2.3. Proposal 0296: Facilitating a Supply Point Enquiry Service for Non-Domestic Supply Points

DW explained the recent amendments to the proposal and asked for views on the interpretation of contemplating. SL, CH, DW and RS all believed that this would be following contact with a customer.

DW asked if there would be any concerns with defining “contemplating” and whether this would cause restrictions or system implications. SM asked if there was a legal interpretation of contemplation. RS expressed a view that defining this may restrict companies that use brokers.

SM asked if there was any indication that there was an issue with the use of “contemplating”, DW believed that this was an area of ambiguity recognised by Ofgem, which could be addressed. JM referred to the Information Commission Office, which provides guidance on information provision.

DW pointed out that the current modification does not include this as a required amendment. GE suggested that this is clarified in the modification to allow consideration of the definition of “contemplating”. It was agreed that the Legal Text would be beneficial for consideration in the Consultation Process.

AR asked about the use of bulk enquiries and explained how the SSP bulk enquiry process worked including the need to record evidence of customer contact to access data.

AW asked about the audit process to ensure appropriate use.

It was recognised that this proposal was an enabling modification, to allow the release of information not how it could be provided. DW was keen to allow xoserve to determine the solutions to how the information could be provided.

AW pointed out that Ofgem need to understand how this process could be used. SM also suggested that consideration would need to be given to the controls.

Action 0605: Consideration to be given on the use of a “contemplating” definition

Action 0606: Consideration to be given on the potential controls for the access to the data.

KK questioned the User Pays classification of the proposal. It was explained that this modification enables the provision of a service but not the procurement of the report.

Action 0607: DW to update the modification to reflect discussions.

2.4. Proposal 0274: Creation of a National Revenue Protection Service (update)

No update was available. It was agreed that future updates should be provided within the Review of Live Modification Proposals.

2.5. Proposal 0313: Application Date for Mod0229

DW introduced the Modification Proposal for clarity within the UNC0229 Legal Text for the apportionment of costs across the LSP and SSP market sectors. The Application date for the methodology of cost allocation

suggested 01 April 2011, however it was not clear if this was for costs going forward or retrospectively back to 01 April 2011. CW confirmed the AUG would use data from 01 April 2011.

RS confirmed following discussions with Ofgem, they confirmed that there is nothing in the proposal to suggest retrospective charges and that the legal text is in line with the proposal.

RS suggested if there were an error in the text, a consent to modify would need to be raised. However, it was believed that the legal text was in line with the proposals intent. CW did not believe a mistake had been made with the UNC0229 legal text.

It was a general view that if retrospective charges needed to be implemented, a new proposal should be raised.

RS was concerned about the text and if the proposals intent had been misunderstood in the legal text. Adding, should Corona Energy suffer any financial loss, it would pursue recovery via National Grid for inappropriate text.

ST suggested the production of a time line to provide an illustration of the three scenarios. He highlighted that Ofgem have approved the Proposal on the provided Legal Text.

GE also asked if the Transporters could confirm how the charges will be billed and whether this will be one invoice or a series of invoices over a period time.

Action 0608: Transporters to provide a timeline for scenarios 1,2 & 3

Action 0609: Ofgem to provide their view on how they anticipated the charges process working once UNC 0229 had been implemented.

SL also suggested consideration is given to checking if there are any other elements of the Legal Text is not clear.

Action 0610: DW to update the proposal to reflect discussions during the workstream

3. Topics

3.1. 0040Dis, Disconnection Process

CW confirmed that policy changes are currently being considered. Good progress has been made but a definitive date for completion could not be provided at this stage.

3.2. 0045Dis, Handling of Emergency Situations at Priority Customer Sites

Action 0611: Update to be provided by WWU on the handling of Emergency situations at priority customer sites.

3.3. 0046Dis, Mechanism for Correct Apportionment of Unidentified Gas Guidelines Document

BF outlined the progress made on the 08 June meeting.

It was noted that the additional Distribution Workstream scheduled for 29 June 2010 had been postponed. This was to allow time for development of the criteria for the selection of the AUG.

It was agreed to reschedule the meeting as soon as possible.

3.4. 0047Dis, Third Energy Package

AW confirmed that DEC are likely to publish papers at the end of July with their thoughts on the 21 day switching requirements. He wondered if there was the possibility to meet the requirements or could there be systems, which require changing. He wished to understand the ability of shaving a couple of days off the transfer process. He suggested that it would be useful for an impact assessment to be conducted on how it would be possible to compress the switching process. CW briefly explained the switching process believing that the Shipper objection window could be reduced.

ST wished to understand the starting point of the 21 day transfer process, was this at the point of sale or the point of confirmation. He expressed a reluctance to start investigations without first understanding the requirements on the Supplier. He suggested that the industry needs to first understand what the issue is before solutions are considered. SL suggested depending on the requirements it may be necessary to allow the new supplier to submit reads.

It was suggested that some work could be undertaken to understand what changes could be made. However it was not clear which approach to take; whether to start considerations without fully understanding the requirements or wait to the requirements are fully understood.

AR offered a suggestion that suppliers could agree a transfer date (this could be the next day) and the Transporters could calculate the charges for this transfer retrospectively. He acknowledged the system implications could be costly and the current process had been designed to reduce risk.

It was agreed that the varying options could be identified such as a change to the objection process and consideration given on the ability for these to be facilitated.

Action 0612: SL to identify possible options for reducing the current transfer timescales.

3.5. 0048Dis, Management of Domestic EUCs

DW was interested in using data from prepayment customers in a separate EUC profile to that of domestic credit customers.

SL suggested he could provide some data to xoserve on the prepayment portfolio consumption. It was acknowledged that discussions were due to take place with xoserve on the impact of including prepayments sites within the scope of UNC270. It was suggested that if the difference in consumption for prepayment portfolios is provided by Shippers to xoserve, they could use this to work out what the EUC band could look like and the costs and benefits of doing this.

Action 0613: Shippers to provide consumption data for prepayment portfolios to xoserve

Action 0614: xoserve to examine prepayment consumption data and use this to work out an EUC profile and identify any potential costs and benefits of having separate Domestic EUCs.

RbD was considered. DW accepted that these types of sites would remain within RbD.

3.6. New Topics

3.6.1. DN Interruption Phase 2 ("Oct 2011 implementation")

ST believed that following implementation of Modification 0090, the UNC does not define all sites as firm. It was agreed to raise a new topic with a Medium Priority for discussion at the July Distribution Workstream

3.6.2. DM unbundling

WWU provided a presentation, which gave the background to facilitating DM unbundling. WWU was keen to raise a number of modifications to change the UNC.

The three potential modifications were:

- Allow Transporter equipment priority
- Remove the DM voluntary sites from DM liabilities
- Removing DMV regime

It was agreed to raise a new topic with a Medium Priority for further discussion.

Some concern was expressed about the Transporters having priority on the connection of remote meter reading equipment. ST wished to avoid Transporters equipment being disconnected to connect Shipper equipment. RS was likewise concerned that Shipper equipment could be removed and not reinstated if Transporter installed its equipment. ST recognised this concern, this was not the intent of the draft proposals and that this will be considered to avoid Shipper equipment being removed and not reinstated after the Transporter equipment installation.

There was discussion on the adoption of GM/7A principles by Transporters and it was mentioned that this was not universal.

Contracts and contract breach was considered.

ST intended to raise the proposals to allow further consideration at the Workstream.

The Workstream discussed removing the DM voluntary sites from DM liabilities after the DME transition period. SL asked if the volume of the gas going through these meters could be provided in aggregate. ST explained the priority management of sites. Interest was expressed in having standards for non priority sites to ensure services are not compromised.

Discussions took place on the implications of removing the DMV regime and the lead-time. All DMV sites would become a DME or DM site. CW clarified it was inappropriate to have a bundled and unbundled service running at the same time.

ST asked for comments and feedback.

The impact to interruptible sites was discussed. It was asked if Transporters could identify the number of interruptible sites that could become DMV.

Action 0615: Transporters to identify the number of interruptible sites that could become DMV

4. AOB

4.1. Procurement of NDM Profiling Data

ST provided a presentation on the background, requirements and possible options. He confirmed that UNC0258A allows DNs to procure data rather than install dataloggers. ST welcomed feedback and comments outside of the meeting on the options provided.

RS was keen to provide Transporters the information required and save money for the industry if there could be a solution made to avoid unnecessary costs.

4.2. Provision of Information to support the Data Hub

SM provided a draft proposal. He welcomed feedback for discussion at the July Distribution Workstream. SM intended to raise the proposal at the July Panel with a recommendation to refer to the Distribution Workstream.

Brief consideration of the modification was undertaken. SM agreed to amend the proposal in light of discussions.

5. Diary Planning for Workstream

Thursday 22 July 2010, 10:30, Holiday Inn, 61 Homer Road, Solihull

Thursday 26 August 2010, 10:00, Elexon, 350 Euston Road, London

Thursday 23 September 2010, 10:00, Elexon, 350 Euston Road, London

Thursday 28 October 2010, 10:00, 31 Homer Road, Solihull

Thursday 25 November 2010, 10:00, Elexon, 350 Euston Road, London

Distribution Workstream Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0501	27/05/10	2.3	UNC0292/3 - Identify whether AQ Review system validation parameters can be released to indicate why amendments are passed for manual investigation.	xoserve (AM)	Completed
Dis0502	27/05/10	2.3	UNC0292/3 - Provide data on numbers passing and failing various AQ Review validation tests, and a profile of when amendments are received	xoserve (AM)	Completed
Dis0503	27/05/10	2.4	Amend Proposals 0292 and 0293 in light of Workstream discussion.	ScottishPower (KK)	Carried Forward
Dis0504	27/05/10	2.5	Amend Proposal 0296 in light of Workstream discussion.	British Gas (DW)	Completed
Dis0601	08/06/10	1.2	Shippers to provide xoserve the number of MPRNs likely to be submitted for an AQ amendment by the end of July 2010.	All Shippers	Carried Forward
Dis0602	08/06/10	3.1	Transporters to consider and clarify how they are going to apply the tendering process.	Transporters	Carried Forward
Dis0603	24/06/10	2.1	UNC 0292/3 - xoserve to review the AQ Amendment validation filters and consideration given to refining the parameters/rules and the impact this would have.	xoserve (LW)	Pending
Dis0604	24/06/10	2.1	UNC 0292/3 - xoserve to provide some examples of rejected AQ Amendments.	xoserve (LW)	Pending
Dis0605	24/06/10	2.3	UNC 0296 - Consideration to be given on the use of a Contemplating definition	All	Pending

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0606	24/06/10	2.3	UNC 0296 - consideration to be given on the potential controls for the access to the data.	All	Pending
Dis0607	24/06/10	2.3	UNC 0296 - update the proposal to reflect discussions	British Gas (DW)	Pending
Dis0608	24/06/10	2.5	UNC 0313 - Transporters to provide a timeline for scenarios 1,2 & 3	Transporters	Pending
Dis0609	24/06/10	2.5	UNC 0313 - provide their view on how they anticipated the charges process working once UNC 0229 had been implemented	Ofgem (AW)	Pending
Dis0610	24/06/10	2.5	UNC 0313 - update the proposal to reflect discussions during the workstream	British Gas (DW)	Pending
Dis0611	24/06/10	3.2	Topic 0045Dis - Update to be provided by WWU on the handling of Emergency situations at priority customer sites.	WWU (ST)	Pending
Dis0612	24/06/10	3.4	Topic 0047Dis - SL to identify possible options for reducing the current transfer timescales.	EDF Energy (SL)	Pending
Dis0613	24/06/10	3.5	Topic 0048Dis - Shippers to provide consumption data for prepayment portfolios to xoserve	Shippers	Pending
Dis0614	24/06/10	3.5	Topic 0048Dis - xoserve to examine prepayment consumption data and use this to work out an EUC profile and identify any potential costs and benefits of having separate Domestic EUCs	xoserve (LW)	Pending
Dis0615	24/06/10	3.6.2	Topic 0050Dis - Transporters to identify the number of interruptible sites that could become DMV	Transporters	Pending