

Distribution Workstream Minutes
Thursday 26 November 2009
Elxon, 350 Euston Road, London

Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Andrew Wallace	AW	Ofgem
Andrew Fox	AF	National Grid NTS
Anne Jackson	AJ	Scottish and Southern Energy
Bali Dohel	BD	Scotia Gas Networks
Beverley Viney	BV	National Grid NTS
Brian Durber	BDu	E.ON UK
Chris Hill	CH	RWE npower
Chris Warner	CW	National Grid Distribution
David Moore	DM	Gas Forum
David Watson	DW	British Gas
Edward Coleman	EC	E.ON UK
Gareth Evans	GE	Waters Wye
Jenny Boothe	JB	Ofgem
Joanna Ferguson	JF	Northern Gas Networks
Joel Martin	JM	Scotia Gas Networks
Linda Whitcroft	LW	Xoserve
Phil Broom	PB	GDF Suez
Richard Street	RS	Corona Energy
Simon Trivella	ST	Wales and West Utilities
Tim Davis	TD	Joint Office

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 a draft Modification had been produced. See item 3.2. **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: CW confirmed that a ROM request has been submitted. ST believed that the ROM would be available week beginning 21 December 2009. **Complete.**

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 a meeting has taken place and that this has identified that there are no significant engineering issues concerning the requirement. However, there are issues around a

commercial service, he believed any commercial solution should only be used as a last resort and not a routine offering. He was not sure how helpful the approach would be. DW questioned the process that needs to be followed. CW suggested that there is still work to do on the process and reasons to serve a warrant need to be proven. He confirmed that in principle a disconnection could be done but there needs to be careful consideration of the circumstances in which it is followed. CW confirmed he would continue to report updates on progress made. **Carried Forward.**

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

Action Update: JM confirmed that an implementation date has been provided at the November UK Link Committee Meeting of 21 November 2010. **Complete.**

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

Action Update: CW confirmed that National Grid Distribution have issued a note to the Joint Office setting out two areas of contingency for UNC0268. He explained that there are two concerns, one if UNC timescales are not met and others what if UNC modification is not implemented. CW provided verbatim the detail of the email to be issued. Also see agenda item 2.2. **Complete.**

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

Action Update: LW confirmed that 1,039 successful appeals were processed relating to the 20% crossover appeal. This related to 0.04% of amendments. **Complete.**

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

Action Update: No update available. **Carried Forward.**

1.3. Review of Live Modifications

BF outlined the live Modification Proposals.

AW confirmed that the Regulatory Impact Assessment for UNC0194/0194A/0228/0228A/0229 was expected in the next week or so.

JB confirmed that Ofgem had requested legal text for UNC0253 at the UNC Panel Meeting.

1.3.1. Urgent Proposal 0275: Reduction in DM LDZ Exit Capacity for Supply Points with Significant Changes in Usage

CW provided a presentation on the process and how it may work and what the ramifications are if the modification is implemented. LW advised the timescales are very tight. She proceeded to explain the process if the modification is accepted. CW suggested that Shippers ought to consider gathering appropriate information as soon as possible to ensure that timescales can be met.

2. Modification Proposals

2.1. Proposal 0248: Meter Reading Replacement

ST highlighted that a ROM is required for the proposal. It is anticipated the ROM should be available week commencing 21 December 2009. It was discussed whether to complete the Workstream report ahead of receiving the ROM so it will be ready for the December 2009 Panel Meeting. BF highlighted that a December meeting could be arranged for the approval of the Workstream report if members wished.

It was discussed if Shippers could indicate the likely take up of the service. LW advised that it had previously been suggested that validation failures may be an indication of take up. However, xoserve have concerns this may not be a robust option to use. DW agreed, explaining that Shippers may not currently submit reads if the reads would fail their own or xoserve validation.

Action Dis1101: Shippers to provide an indication of likely demand/volume for read replacements and acceptable costs by volume band to the Joint Office.

Action Dis1102: EDF to clarify Business Rule 7 - The Gas Transporter will publish a quarterly report detailing the number of meter reading replacements submitted by individual Shippers.

It was agreed to defer the production of the Workstream report until the ROM was available and there was an indication of demand.

LW highlighted the need for two amendments to the Proposal within the business rules 5 and 6. Rules 5 appeared to need the word 'not' inserted and rule 6 needed to include a reference to NDM.

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

Further to CW's Dis1001 action update on the contingency arrangements he asked if any concerns could be fed through to xoserve via Linda Whitcroft or Dean Johnson.

Action Dis1103: All parties to provide any concerns to xoserve on the UNC0268 contingency arrangements.

AW suggested the email is made available for parties to consider. CW confirmed it will be published on the Joint Office web site.

The Workstream Report was considered.

Relevant Objective D was discussed in detail. TD explained that Ofgem need to understand not only the result of the change but how the relevant objective is met to assist Ofgem's understanding of what would be different to current arrangements. AW also stressed the importance of understanding the benefits and the material impact or improvements.

AW questioned why the modification proposal makes the AQ better and what is the impact of the AQ being better.

CW provided an explanation of what the proposal aims to achieve. TD requested further clarification not only what the solution provides but how. It was agreed to include a high level statement within the Workstream report and National Grid would provide additional detail on how AQs will be more accurate to support the statement. This would be published ahead of the Panel for members to approve and allow the Workstream report to be issued to the December Panel.

It was explained that more accurate AQs would reduce the amount of energy being passed through to reconciliation and that AQ accuracy provided parties with more accurate energy allocation.

It was envisaged that the developmental costs were minimal as the change simply utilises the existing capabilities of the UK Link system.

A discussion took place about the number of AOs that would have to have a factor applied to it due to insufficient read data as a result of changing the back-stop date. National Grid Distribution estimated this would impact 0.01% of sites. It was agreed that this needed to be included within the disadvantages.

LW explained Users may be affected by the back-stop date alteration if this needs to be changed within Shipper systems. However, this was not substantiated or quantified.

The implications of non implementation by 12 February 2010 was discussed. TD requested that the Transporters detail the impacts of late implementation and that year on year the costs to manage the existing system will increase. It was explained that if a decision was not provided before the 01 April 2010 the modification proposal could not be implemented until 2011.

AW asked for clarification on who would bare the contingency costs if implementation were delayed.

The Workstream report was completed and is to be published on the Joint Office website.

2.3. Proposal 0270: Aggregated Monthly Reconciliation for Smart Meters

BF explained that this had referred to a Development Work Group at the Panel Meeting.

2.4. Proposal 0271: Amendment to the SSP – Provisional LSP – SSP Amendment Rules

This agenda item was deferred until the January meeting. No comments were made on the proposal.

2.5. Proposal 0274: Creation of a National Revenue Protection Services

BF explained that this had referred to a Development Work Group at the Panel Meeting.

3. Topics

3.1. 038Dis, Emergency Contact Details

ST explained that no further update was available on this topic.

3.2. 039Dis, Transfer of Meter Asset and Read History to New Suppliers

Further to Action Update Dis0705, PB provided a draft proposal and explained the background to the modification. He explained that when taking on a new supply point it is difficult to challenge AOs without historical read history information. The modification has been produced to allow Shippers to request historical read history for live registered supply points.

PB wanted feedback on the suggested 3 year period of allowed read history.

RS questioned if directly connected supply points were excluded. PB confirmed the exclusion. RS also asked about the supply of 3 years worth of meter asset data and the distinction of Daily and Monthly reads. PB confirmed that the he would update the proposal to be more specific and that 3 years of meter asset data including reads is to be requested.

LW asked about the backstop date. PB asked if xoserve would be able to provide statistics on the suggested 3 year period and any likely fall outs.

LW was unsure if it would more difficult if the Shipper specified a 3 year date or whether to allow the system to specify the period where up to 3 years worth of data existed. She anticipated that it may be best for the system to extract data rather than specify a period where they may be limited data available.

PB was keen to consider the different mechanisms for the provision of the data and how much these were likely to cost. RS questioned the use of a systemised solution considering the costs and if it would be better to opt for a spreadsheet process as an interim solution.

ST asked about the IAD and if the modification proposal would give permission for previous supply data to be provided. CW believed the permissions to have the data was key. PB believed that the report was a short-term solution and that a solution via the IAD or SPAA ought not to be excluded.

Feedback was also welcomed on the implementation date of 01 April 2010.

PB confirmed his intention to formally raise the modification proposal following taking into account feedback. His intention was for the modification proposal to be developed within the January Workstream. It was agreed to close the topic.

Action 1104: Transporters to request a ROM for the development of a report solution for the provision of meter asset and meter read history.

Action 1105: xoserve to provide a response to the suggested 3 year period and potential system impacts.

3.3. **0040Dis, Disconnection Timescale**

See Action Dis0803. No further update provided.

3.4. **0041Dis, Invoicing Validation Rules – Mod 0640**

BF suggested that the topic is closed down in light of a new modification proposal UNC0272: Mod 640 Validation Arrangements for when a Change of Shipper has occurred. Topic closed

3.5. **042Dis, SSP Amendment Rules**

BF suggested that the topic is closed down in light of a new modification UNC0271: Amendment to the SSP – Provisional LSP – SSP Amendment Rules. Topic closed.

4. **AOB**

4.1. **Exit Substitution**

AF provided a presentation on Exit Capacity Substitution and Revision, work starting next year. He explained that Workshops will be taking place next year and encouraged participation.

AF explained that there are two conditions to substitute unsold NTS baseline exit flat capacity and revise the level of NTS baseline exit flat capacity in response to entry capacity signals. National Grid NTS need to prepare a methodology statement to be used in respect of these. Key dates 04 January 2011 the methodology statements need to be submitted to Ofgem but 03 Dec 2009 a timetable will be published on the planned workshops. AF provided an indicative timeline, which detailed the planned workshops, he also provided the draft agendas for these workshops highlighting the requirements. He welcomed all parties to identify areas /

issues that need to be considered. Responses should be sent by email to lelsley.ramsey@uk.ngrid.com or andrew.fox@uk.ngrid.com by mid January 2010.

4.2. Independent Credit Assessments – RG0252

JF provided a presentation on the Credit Arrangements – Independent Assessments. She explained that RG0252 have been considering the current credit arrangements in relation to the rules of 3 independent agencies, she highlighted that DCUSA had inserted a table with 5 independent agencies. She explained that there is an opportunity to improve what is in the UNC at the moment and what the options were.

JF also explained the consideration of capping the amount of unsecured credit based on the Value at Risk (VAR).

JF welcomed feedback on the options.

BV confirmed that National Grid NTS have undertaken some analysis on the use of caps. She explained there can be significant variations in the assessments. RS expressed that wide ranging results of independent assessments when information is limited and that a credit agency which may have more information may be able to provide a more accurate rating and how this could be recognised.

RS believed that the smaller shippers are likely to be more affected. ST confirmed that Ofgem have been supplied with a number of smaller suppliers to enable contact.

RS initial reaction was good to have a table he suggested he would discuss the table and the use of caps with other users and provide any feedback.

4.3. Exit Capacity – RG0252

ST explained his intention to raise this topic first at the next Transmission Workstream and hoped to provide a presentation to the Distribution Workstream in January.

4.4. Market Sector Code (MSC) Flag

ST provided a presentation, which included the background to the issues. He confirmed his intention to raise a UNC Proposal with either a data fix approach or a transitional period to populate the flag. He welcomed feedback on the possible solutions.

JB asked if there would be any validations on the accuracy of data. ST explained that flow of information would be treated the same as all information flowing from Shippers in that accurate data would be provided and where it was identified that data was inaccurate this would be corrected. DW explained that Shippers have an obligation relating to accuracy of data.

5. Diary Planning for Workstream

Thursday 14 January 2010, 10:00, Holiday Inn, 61 Homer Road, Solihull.

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

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

Thursday 22 April 2010, 10:00, Holiday Inn, 61 Homer Road, Solihull.

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)	Complete
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	Complete
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	Complete
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)	Complete
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)	Complete
Dis1003	22.10.09	3.5.2	EDF to provide some statistical evidence of threshold crossers from their portfolio.	EDF Energy (SL)	Carried Forward
Dis1101	26.11.09	2.1	Shippers to provide an indication of likely demand/volume for read replacements and acceptable costs by volume band to the Joint Office.	All Shippers	Pending
Dis1102	26.11.09	2.1	EDF to clarify Business Rule 7. The Gas Transporter will publish a quarterly report detailing the number of meter	EDF Energy (SL)	Pending

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			reading replacements submitted by individual Shippers.		
Dis1103	26.11.09	2.2	All parties to provide any concerns to xoserve on the UNC0268 contingency arrangements	All	Pending
Dis1104	26.11.09	3.2	Transporters to request a ROM for the development of a report solution for the provision of meter asset and meter read history.	Transporters	Pending
Dis1105	26/11/09	3.2	xoserve to provide a response to the suggested 3 year period and potential system impacts.	xoserve (LW)	Pending