

Review Group 0157 Minutes
Tuesday 29 April 2008
Ofgem, Millbank, London

Attendees

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Alex Travell	AT	E.ON UK
Alison Jennings	AJ	xoserve
Andrew Margan	AM	Centrica
Beverley Grubb	BG	Scotia Gas Networks
Chris Warner	CW	National Grid Distribution
Ian Monksfield	IM	xoserve
James Crosland	JC	Corona Energy
Jenny Boothe	JB	Ofgem
Jenny Rawlinson	JR	GTC
Jon Dixon	JD	Ofgem
Karen Kennedy	KK	Scottish Power
Mark Jones	MJ	SSE
Phil Lucas	PL	National Grid Distribution
Sarah Westrup	SW	GTC
Savita Shaunak	SS	EDF
Simon Trivella	ST	Wales & West Utilities
Tracey Walker	TW	E.ON UK
Zoë Titchener	ZT	Xoserve

Apologies

Abid Sheikh	AB	energywatch
Heidi Martin	HM	RWE npower
Rosie McGlynn	RM	EDF

1. Introduction

1.1. Minutes of previous meeting

KK questioned the accuracy of statement recorded against ST within item 2.5 third paragraph. ST agreed the sentence should have read:

The cost of such a solution was considered. ST believed that the CSEP administration charge could be utilised. ~~would be replaced.~~

The minutes of the previous meeting were accepted.

1.2. Review of actions from previous meeting

Action RG0157 0008: iGTs and DNs to provide current end to end process.

Action Update: JM confirmed that a process flow had been provided by xoserve but that this requires further input. Combined with Actions 0009 and 0038. **Carried Forward.**

Action RG0157 0009: All to consider timescales that could be used within an end to end process.

Action Update: iGTs, Shippers and DNOs to provide timescales for the end to end process. **Combined with Action 0008.**

Action RG0157 030: Shippers and iGTs to develop solutions short of xoserve holding individual iGT meter point data that would improve the visibility of LMN data.

Action Update: JR confirmed that iGTs had considered the iGT Billing Solution provided by Scottish Power and accept this as an alternative solution to xoserve holding individual meter point data. It was therefore agreed to close this action. **Complete.**

Action RG0157 031: iGTs, xoserve and Transporters to examine which field could be used for the provision of I&C MPRNs

Action Update: JR confirmed that if necessary GTC could utilise the field for the provision of I&C MPRNs. **Complete.**

Action RG0157 036: Transporters to provide the updated workplan for publication on the Joint Office Website.

Action Update: BG agreed to provide a further update. **Carried Forward.**

Action RG0157 038: DNs and iGTs to provide xoserve with current process timescales for each stage, to enable a timeframe to be produced for discussion at the next meeting

Action Update: It was agreed that the timescales for the process should be provided to the Joint Office. PL confirmed that DNs expect to have notifications 5 days prior to the connection completion. AT asked about the visibility of the connection contracts. ST explained that these are an agreement between iGTs and DNs he believed there was no requirement for these to be a public document. AT believed that visibility of the FCA would be good. See new action RG0157 044. **Combined with Action 0008.**

Action RG0157 0040: xoserve to assess the current rejections/validations and the implications if these were not employed.

Action Update: See item 2.2. **Complete.**

Action RG0157 0041: National Grid (CW) to review the principle of using a single service provider.

Action Update: See item 2.2. **Complete.**

Action RG0157 0042: All to consider the possible Options/Solutions further, assessing the advantages and disadvantages of each model and completing the table for discussion at the next meeting.

DNs provided a presentation.

Action Update: See item 2.2. **Complete.**

Action RG0157 0043: xoserve to look at what would need to be captured for a nested CSEP.

Action Update: See item 2.2. **Complete.**

New Action RG0157 044: ST to examine the possibility of the FCA becoming a public document.

2. Review Group Discussion

2.1. End to End Process

KK was keen to establish timescales from the iGTs for the end to end process. ST confirmed that the FCA has timescales included which are consistent. JR questioned whether the FCA may need to be changed. AT had asked previously about the visibility of the connection contracts, he believed that visibility of the FCA would be good. ST agreed to examine the possibility of the FCA being a public document. See new action RG0157 044, Item 1.2.

AJ confirmed that a swim-lane had been produced for all parties to provide timelines. KK encouraged the provision of timelines so that further consideration could be given to common timelines. It was agreed that DNs and iGTs would provide the Joint Office with timelines for consideration at the next meeting. This will then be used to allow consideration of establishing common timelines. See actions RG0157 008, 009 and 038.

AT expressed concern about the governance. It was agreed that the governance would need to be considered further.

2.2. Consideration of Solutions

ZT confirmed that xoserve have considered the removal of certain validations to reduce the 35,000 to 40,000 supply points which are believed to be missing. ZT confirmed various rejection reasons had been considered and a view taken on whether the validation is relevant. She confirmed that having considered the validations, the majority of these will be maintained for example AQ=0.

The four validations which may want further consideration are:

AQ03's which is a supply point update with no material impact for refreshing the data.

AQ04's which is generated to prevent the maximum AQ being breached when an update to the AQ value is requested. ZT acknowledged that the rejection does not prevent the flow of gas if an AQ was breached. Allowing the update would allow more accurate invoices and also increase the visibility of AQ increases to the DNs.

AQ05's which is generated where a reduction to the AQ value is requested without a reason code. To relax this validation xoserve would hold the same AQ as the iGTs.

CSP01's, ZT confirmed that 50% of projects are not recognised, if this rejection was relaxed xoserve would be able to accept more data, and provide more visibility of projects updated on the network. ZT explained the 2 options for implementation, both require process changes to DN and xoserve processes. Option 1 is to accept information from iGTs where sites are near completion and are awaiting the completion notice from DNs, this would overcome any timing issue with completion notices. Option 2 is to accept all projects automatically, however there would need to be process or a file format change as the current level of information from iGTs does not provide sufficient information for billing purposes.

ZT explained that four validations would require certain system changes and a lead time would be needed for xoserve to implement changes.

ST expressed a preference for Option 1 of CSP01s. AT was interested in how soon an improvement could be realised if Option 1 is utilised. ZT explained that the aim would not be to reduce rejections but to reduce the mismatch.

ZT explained that the impact of Nested CSEPs still needs to be understood to understand if the removal of validations would have the desired effect. This was an outstanding action from the March Ofgem CSEP NExA meeting. JR confirmed that iGTs have undertaken an exercise to report on the position of nested CSEPs however this is yet to be reported to Ofgem.

Action RG0157 0045: iGTs to confirm the number of nested CSEPS, the number of connections and the AQ.

BG expressed concern that the above solution needs to be undertaken in parallel to the timescales consideration. She welcomed further consideration of the impacts. AT believed that the rejections could be operated offline to resolve the gas allocation issues as he believed that these rejections are not required as part of the UNC.

ZT provided a CR470 update, confirming that this has now been implemented into the system.

It was agreed that a change proposal would be raised by National Grid Distribution and that xoserve will provide an update at the next Review Group meeting.

Action RG0157 0046: National Grid to raise a change request for removing certain rejections.

Action RG0157 0047: xoserve to provide an update on removing rejections.

CW provided a presentation of the options for a strategic regime change capturing the advantages and disadvantages of each model.

Option 1 0 - DCUSA Model

CW explained the principle of this model is that all the activity goes to the iGT to provide load data with a single invoice for the Transportation charges.

The advantages and disadvantages were discussed.

AT added another advantage; that it would remove gas allocation errors and target the appropriate party for the resolution of issues. He also believed that it could enable harmonisation.

It was believed that the first disadvantage was actually an advantage.

AT explained that iGTs would be creating LMN files and producing this information through Gemini.

SS asked how the file formats would be affected.

The costs and benefits were briefly discussed, AT compared the level of industry lost revenue or possible over payment compared to the cost of developing a system.

Option 2 – Individual Meter Point Detail

CW explained that the principle of this model is that load information will be issued by iGTs to DNOs at a meter point level.

The advantages and disadvantages were discussed.

JR believed that there would be a potential for systems like SCOGES to become obsolete as they would no longer be required, there would also be an improvement on invoice control.

BG believed that this solution provided transparency however a discussion evolved around possible disputes where xoserve have information of a supply

point but the iGT has a record that the supply point is no longer in situ and the difficulties of amending data.

Option 3 – Industry Data Manager

CW explained that the principle of this model is that there would be a DNO service provider for maintaining a Supply Point Register. He acknowledged that this was an industry change.

The advantages and disadvantages were discussed.

AT believed that managing the existing regime is costing the industry in the region of £2m in administration costs and £20m in misallocated costs. AT expressed a preference for Option 3, but was concerned about the ramifications to the UNC.

A discussion evolved regarding the consideration of a similar solution 18 months ago.

Option 4 – Enhance Current Regime

The advantages and disadvantages of improving the current regime were debated.

JR confirmed that GTC supported the fourth option, whereby there would be no regime change. Nevertheless GTC would be willing to discuss the other options further.

BG explained that all the options involved costs and asked Ofgem about the ability to proceed. JB wanted to keep the impetus of the recent work and concentrate on the merits of each option. She suggested that the issue of costs could be considered once the merits of each option are fully understood. JB was keen to find a pragmatic solution and encouraged consideration of funding.

Some concern was expressed about how to progress this. The Review Group believed that the consideration of the options was outside the remit of the Review Group and UNC, as price control, licence changes and funding all needed to be considered. It was recognised that the regime would be an iGT regime change and the value of Review Group 0157 was coming to a close.

A debate occurred on the differences that the industry required; ST acknowledged that the iGTs may want a different system to what the Shipper and DNOs would want because of commercial drivers.

It was acknowledged that there was benefit in addressing the issues, and looking at the options in more detail.

BG and CW asked how option 1-3 could be progressed whilst Option 4 was worked on for short term improvements.

JM believed that Review Group 0157 had completed its remit. JB believed that the Ofgem CSEP meeting should continue to consider the options further however the end to end processes still needs completing. JB recommended that the DNOs and iGTs should continue to meet for the completion of the end to end process.

CW highlighted that the materiality of nested CSEPs had not been able to be validated. ZT believed it could be in the region of 40,000 supply points. JR confirmed that iGTs have undertaken an exercise to report on the position of nested CSEPs however this is yet to be reported to Ofgem.

JR mentioned that a reconciliation exercise had been considered.

The Review Group acknowledged that due to industry fragmentation and the varying systems being used it has been difficult to complete the work required to improve the CSEP mismatch.

The end to end process was again discussed and how to ascertain and impose appropriate timescales and the required governance for it. JD believed that if all parties are adhering appropriately then change maybe required to the CSEP NExA .

CW was unsure that any more progress could be made when there are fragmentation issues.

JM proposed that that the next CSEP NExA meeting has an agenda item for the completion of the Review Group Report to be signed off. JM asked for the completion of outstanding actions to ensure these are all completed to allow the Final Review Group Report to be produced and the Review Group concluded. It was agreed that any outstanding actions could be recorded as the Review Group recommendations if they can not be completed prior to the next CSEP NExA meeting. These will then be adopted by the Ofgem CSEP NExA meetings for conclusion.

It was agreed at the next CSEP NExA meeting will consider further the 4 options discussed today. JB asked for feedback on these prior to the next meeting.

MJ requested that reconciliation needs to be considered further. It was agreed to hold a further meeting on 20 May 2008.

2.3. Update to UNC0167 Implementation

Reconciliation statistics had been provided on the website.

3. Diary Planning for Review Group

It was agreed that the final Review Group Meeting will be held on 20 May 2008, preferably at Elexon starting at 10:30.

4. AOB

None.

APPENDIX A.

ACTION LOG - Review Group 0157

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0157 0008	11/09/2007	2.2	iGTS and DNs to provide current end to end process	iGTs and Transporters	Combined with Actions 0009 & 0038 and carried forward
RG0157 0009	11/09/2007	2.2	All to consider timescales that could be used within an end to end process.	All	Combined with Action 0008
RG0157 0030	11/12/2007	1.2	Shippers and iGTs to develop solutions short of xoserve holding individual iGT meter point data that would improve the visibility of LMN data.	iGTs (PE) and Shippers (KK)	Completed
RG0157 0031	30/01/2008	1.2	iGts, xoserve and Transporters to examine which field could be used for the provision of I&C MPRNs	All	Completed
RG0157 0036	10/03/2008	2.1	Transporters to provide the updated workplan for publication on the Joint Office Website.	Transporters	Carried Forward
RG0157 0037	10/03/2008	2.2	xoserve to provide the current end to end process for publication on the Joint Office Website.	xoserve (ZT)	Completed.
RG0157 0038	10/03/2008	2.2	DNs and iGTs to provide xoserve with current process timescales at each stage of process to enable a timeframe to be produced for discussion at the next meeting	iGTs and Transporters	Combined with Action 0008
RG0157 0040	08.04.08	2.4	xoserve to assess the current rejections/validations and the implications if these were not employed.	Xoserve (AJ)	Completed
RG0157 0041	08.04.08	2.5	National Grid (CW) to review the principle of using a single service provider.	National Grid (CW)	Completed.

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0157 0042	08.04.08	2.5	All to consider the possible Options/Solutions further, assessing the advantages and disadvantages of each model and completing the table for discussion at the next meeting.	All	Completed
RG0157 0043	08.04.08	2.5	xoserve to look at what would need to be captured for a nested CSEP.	xoserve (AJ)	Completed
RG0157 0044	29.04.08	1.2	ST to examine the possibility of the FCA becoming a public document.	ST	Pending
RG0157 0045	29.04.08	2.2	iGTs to confirm the number of nested CSEPS, the number of connections and the AQ.	iGTs	Pending
RG0157 0046	29.04.08	2.2	National Grid to raise a change request for removing certain rejections.	National Grid (CW)	Pending
RG0157 0047	29.04.08	2..2	xoserve to provide an update on removing rejections.	xoserve (ZT)	Pending