

1.2 Actions

Joint Office of Gas Transporters

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0004: WWU, SGN and NGN to confirm whether they share the National Grid Distribution intention to proactively visit unregistered sites and disconnect them if no action is taken to address registration.

Update: CW confirmed that Xoserve are working on unregistered sites process improvements and he understands that they will be writing to the occupants to seek a response before a disconnection process is activated. Transporters are seeking legal advice on the rights to disconnect

2. Discussion

GE explained Ofgem have written and asked for more clarity on the SAP process and situation of recovery of costs through contractual relationships. He wished to provide more clarity to Ofgem and proceed with the Workgroup report in May. AJ asked if GE was providing a set of business rules to take away for the production of a ROM.

AR confirmed that a meeting with their lawyers is to take place next week to discuss drafting text. CW believed a defined set of business rules would assist with the production of text.

GE provided an amended set of Business Rules v2.2. The business rules were considered.

Action 0005: All to review the business rules as amended during the meeting and feedback to GE.

GE believed that the trigger point for claiming the unregistered gas costs is the creation of the MPRN by the Transporter. However, Xoserve ~~considered~~ that the fixing of a meter ~~is the problem~~ would be an appropriate trigger as it allows gas to be offtaken. AJ ~~confirmed~~ thought that

Transporters would ~~not be unlikely to~~ disconnect a customer if the customer were paying a

supplier. There are ~~only~~ situations where it could be deemed that a customer may be at fault, such as when a customer procures and has installed their own meter and then fails to secure an appropriate gas supply contract ~~it was deemed that the customer was at fault of~~

~~offtaking gas from the supply is where the customer has commissioned the fixing of a customer owned meter and offtakes gas without securing a supplier.~~ A

disconnection will not take place if no gas is offtaken and a meter is in situ.

ARa advised that meters can be fitted legally or illegally. AJ believed that in the majority of cases meters are fitted through a request ~~via to~~ a supplier.

~~Discussion took place around the~~ scenario of a meter ~~being~~ fitted ~~by through~~ supplier A, but that ~~and the~~ customer doesn't then sign a supply contract ~~with that with~~ supplier A ~~and decides to contract for a gas supply with supplier B to change their mind and sign a contract~~

~~with supplier B.~~ AJ was aware this ~~can does~~ occur. It was questioned if Supplier A has facilitated an illegal offtake. In such an instance it was agreed that supplier A would not be responsible for gas offtaken, however they may be in breach of the C&D regulations. It was envisaged that Supplier B would be responsible for any gas offtaken.

Action 0006: GE to provide a view on the C&D regulations where a non relevant supplier is notified that a meter is connected – what action should they take.

CW challenged if Suppliers should be commissioning the installation of meters without a supply contract. The group concluded it was desirable that meters should not be fitted until a signed contract with the customer was in place, it was recognised such practise could reduce Shipperless sites.

CW asked how Transporters would recover the energy from gas offtaken under this modification. GE was under the impression that this could be achieved through the Gas Act, however CW believed that recovery could only be made if there has been a theft. He explained that Transporters must be under licence Condition 7 to be cash neutral for the theft of gas. If theft has occurred and reasonable endeavours have been made to recover the cost of the gas,

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Transporters can recover the money through the reasonable endeavours scheme. However, if the customer has a contract with a supplier and refuses to pay the Transporter for the duration they have offtaken gas between the MPRN creation and being identified as not having a supplier. CW explained the cash neutrality and questioned how Transporters recover the costs due to the trigger of the creation of the MPRN following the supply pipe fitting.

CW was concerned that the modification was placing a liability on Transporters for gas offtaken during a period

CW was concerned that if a customer demonstrates they are paying a supplier and the site is not registered Transporters would still; be liable under this modification for the gas offtaken and that Transporters would have not be able to claim compensation from the customer when they were already paying a supplier.

Ofgem was asked for a view under the licence conditions if Transporters can disconnect customers that are not registered by a Shipper but are paying a supplier for a gas supply.

Action 0007: Ofgem to provide a view of licence conditions – can Transporters disconnect a customer who is not registered by a Shipper but are paying a supplier for a gas supply.

3. Any Other Business

None raised.

4. Diary Planning for Review Group

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place within the Distribution Workgroup on:

Thursday 24 May 2012, 10:30, ENA, 52 Horseferry Road, London SW1P 2AF