

Development Group (UNC0270) Minutes
Thursday 10 December 2009
Via teleconference

Attendees

Bob Fletcher (Chair)	BF	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	LD	Joint Office of Gas Transporters
Alan Raper	AR	National Grid Distribution
Chris Warner	CW	National Grid Distribution
Dave Watson	DW	British Gas
Ed Reed	ER	Cornwall Energy
Fiona Cottam	FC	xoserve
Karen Kennedy	KK	Scottish Power
Gareth Evans	GE	Waters Wye
Jamie Black	JB	Ofgem
Joanna Ferguson	JF	Northern Gas Networks
Joel Martin	JM	Scotia Gas Networks
John Bradley	JB	Joint Office of Gas Transporters
Mark Jones	MJ	SSE
Phil Lucas	PL	National Grid Distribution
Richard Street	RS	Corona Energy
Rob Hill	RH	first:utility
Sean McGoldrick	SM	National Grid NTS
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy

1. Introduction and Development Group Operation

BF welcomed members to the first meeting and explained that this meeting was to discuss the proposed Terms of Reference and agree a time management plan for the operation of the Development Work Group. The intention is to hold monthly industry meetings to discuss the proposal and produce a Development Group Report for consideration by the UNC Modification Panel by 20 May 2010.

BF advised the group that future meetings would be chaired by John Bradley (Joint Office of Gas Transporters).

2. Outline of Proposal

RH briefly outlined in which market first:utility operated (small shipper/supplier, rolling out dual fuel offerings in the domestic market), and then explained the intent of the proposal and the aspirations of the Proposer. There were issues in the current UNC and the way gas delivery is managed, and it was recognised that smart meters could change the consumption behaviour of customers. There was no incentive to introduce more appropriate tariffs, and small suppliers therefore were exposed to significant cash flow risks. Although smart metering is being considered in Project Nexus, smart meters were

being rolled out now and this may be an appropriate time to address the issues identified in the Proposal and consider possible solutions.

A brief discussion ensued and participants took the opportunity to clarify their initial understanding of the Proposal.

3. Consider Terms of Reference

The draft Terms of Reference were considered.

Scope and Deliverables

In the course of discussion it was suggested that this section should include:

- Impact on the scale of reconciliation
- Residual impact on small supply points
- Impacts on energy balancing (need to understand if there is an issue and its treatment)
- Impacts on NDM profiling
- Clear definition of smart meters, ie whether applied solely to sites with smart meters attached or also to include sites from which equivalent data can be sourced; consider if exclusions should be avoided/justified

Limits

No amendments were required to this section.

Composition

BF advised the group that this would be an open forum and that a formal membership list would not be compiled. No amendments were required to this section.

Information Sources

No amendments were required to this section.

Timetable

No amendments were required to this section.

BF agreed to amend the draft Terms of Reference following today's discussions and publish these for further consideration.

Action RG0270/001: Joint Office to amend draft Terms of Reference in light of discussions and publish for comment on the Joint Office website.

4. Review Group Process

It was agreed that the Review Group would examine identified issues and consider potential solutions, over a number of meetings.

ER suggested that a clearer vision of potential impact on systems would be beneficial. CW suggested that an explanation of the current processes (NDM small and large supply points, and DM supply points) would also be helpful to initial discussions.

RH reiterated that first:utility was looking for the most pragmatic way that was also commercially viable to take forward to its customers, without adversely affecting residual RbD in any way.

The initial plan for the first session was therefore:

- To gain a better understanding of the current regime; and
- A clearer articulation of first:utility's proposal and any potential consequences

5. Diary Planning for Review Group

The first meeting will take place at 10:00 on Wednesday 06 January 2010 at Elexon, 350 Euston Road, London NW1 3AF, and will be followed by the first meeting of Review Group 0274 (Creation of a National Revenue Protection Service).

It was agreed that future meetings would alternate between Solihull and London and further meetings will be arranged as appropriate.

6. AOB

None raised.

ACTION LOG - Review Group 0270: 10 December 2009

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0270 001	10/12/2009	3.0	Joint Office to amend draft Terms of Reference in light of discussions and publish for comment on the Joint Office website.	Joint Office (BF)	Completed