

Distribution Workstream Minutes
Thursday 22 May 2008
Elexon, 350 Euston Road, London

Attendees

Julian Majdanski (Chair)	JM	Joint Office
Tim Davis	TD	Joint Office
Alison Chamberlain	AC	National Grid Distribution
Andrew Margam	AM	Centrica
Angela Love	AL	Energy Networks Association
Bob Fletcher	BF	National Grid
Brendan Cooper	BC	Gaz de France
Brian Durber	BD	E.ON UK
Chris Hill	CH	RWE
Chris Warner	CW	National Grid Distribution
Erika Melén	EM	E.ON UK
Jemma Woolston	JW	Shell Gas Direct
Jenny Boothe	JB	Ofgem
Joel Martin	JMa	SGN
Linda Whitcroft	LW	xoserve
Mitch Donnelly	MD	British Gas
Richard Street	RS	Corona Energy
Shelley Rouse	SR	Statoil (UK)
Simon Howe	SH	RWE npower
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy
Steve Nunnington	SN	xoserve

Apologies

Helen Cuin	HC	Joint Office
Fiona Cottam	FC	xoserve
Mark Jones	MJ	SSE

1.0 Introduction and Status Review

1.1. Minutes from April Workstream

The minutes of the previous meeting were approved.

1.2. Review of Actions from previous meetings

Action 0201: All to consider the suggested 50% threshold for cost recovery.
Action Update: MD confirmed that British Gas intends to amend UNC 0197.
Views were still welcomed. **Action Carried Forward.**

Action 0302: Shippers to consider what reported Shrinkage information would be required from Transporters
Action Update: See Topic 0030Dis, DN Shrinkage Changes. ST advised that two Shippers had responded but further views would be welcome. Changes would be taken forward by revision of NCORM (Network Code Operations Reporting Manual). **Action Carried Forward.**

Action 0401: National Grid Distribution to produce a set of detailed business rules for UNC 0192 evaluation at the May meeting.
Action Update: See Item 2.1. **Action Complete.**

1.3. Review of Live Modification Proposals and Topics Log

JM provided a summary of the changes to the Modification Register from the previous Distribution Workstream meeting. ST explained why the Uniform Network Code Committee had supported UNC 0171 being implemented on 1 June even though reconciliations on the modified basis (if any) would await systems development. Attendees supported this approach.

2.0 Modification Proposals

2.1. Proposal 0192: “Introduction of DNO obligations to facilitate resolution of unresolved USRVs”

AC provided a draft set of business rules for UNC 0192 evaluation (see presentation provided). AC confirmed that the incentive proposed was to resolve USRVs prior to 30 months being reached - there would be no discretion to extend the period.

RS questioned data ownership and the process where Shippers had changed. Who would be responsible for co-ordinating with prior Shippers and MAMs. He questioned whether there would be an option for xoserve to co-ordinate the process where more than one party is involved. AC felt there could be a legal difficulty if the UNC sought to attach obligations to other than the current Shipper. CW agreed to clarify how the process would work.

Action 0501: CW to clarify the proposed process for dealing with previous Shippers and other parties, such as MAMs.

AC confirmed there would be no freeze on reconciliations, as the Shipper could provide an update after a neutral reconciliation, although this would be classed as a new reconciliation.

Charges under the User Pays regime are likely to be at two levels, depending on whether it can be resolved by a desktop process or whether a site visit is required. It was confirmed that xoserve are still developing the business rules and MD requested an update on time-scales and visibility of charges. CW suggested finalising the Workstream Report and Business Rules at the June Distribution Workstream meeting, and ST confirmed that the suggested User Pays charges should be available by then.

2.2. Proposal 0197: “Increasing User Incentives for the Investigation and Detection of Theft through the Reasonable Endeavours Regime”

MD confirmed that the Modification Proposal needs to be substantially amended.

Action 0502: MD to amend Proposal 0197.

2.3. Proposal 0199: “Clarification around the application of the UNC Dispute Resolution Process”

MD had previously intended to withdraw this Proposal but explained why British Gas now planned to amend the Proposal. There was a general discussion on the merits of attempting to extend the scope of the Section A disputes process to include other non Network Code services and obligations, with most attendees concerned that this would be unenforceable.

Action 0503: MD to amend Proposal 0199.

2.3. Proposal 0201: “ Small value Invoice payment deferral”

JM reported that the Panel had referred this back to the Workstream as they considered two new issues had been raised during consultation. These were whether the relevant Transporter could require deferral if the User had not consented and whether or not the Capacity Neutrality Invoice was included.

AM and MD explained the intent behind the Proposal and suggested that this should be discussed further at the Billing Operations Forum.

Both SL and ST thought the scope should be reviewed to ensure the legal text and the Proposal were in line.

2.4. Proposal 0215: “ Enduring Arrangements for Supply Point Capacity decrease at an Interruptible Supply Point”

ST gave a presentation (see website for details) and explained that the Proposal would allow flexibility if both the DN and Shipper agreed. If there was no agreement, the default arrangements as in the UNC would apply.

3.0 Topics

3.1. 014Dis, CSEP NExA agreements

JM confirmed that Review Group 0157 had now concluded and that the Ofgem CSEP NExA Meeting will consider the recommendations of the Review Group and how to take them forward.

CW expressed NGD's view that tripartite (DNOs, iGTs and Shippers) meetings were desirable and would seek to support the Ofgem meeting. JB confirmed that Ofgem expected to facilitate future tripartite meetings.

3.2. 025Dis, User Pays

JM confirmed that EDF Energy has raised a Modification Proposal for the Introduction of User Pays Governance Arrangements into the UNC.

Change priority from Medium to High.

3.3. 026Dis, RbD Issues Log

No update provided, ongoing. Retain on topic log as updates are expected soon.

3.4. 030Dis, DN Shrinkage Changes

ST confirmed that WWU had received information from a number of Shippers. Priority changed to Medium.

3.5. 031Dis, Maintenance of Best Practice Guidelines for gas and electricity network operator credit cover

Further consideration required. Change priority to Low.

3.6. Any New Topic

3.6.1. Network Code Suppression Guidelines

ST explained that the changes proposed to the Network Code Reconciliation Suppression Guidelines had not received the required approval at the Uniform Network Code Committee meeting . LW gave an overview of the pre/post October proposals and it was clear that the number of suppressed reconciliations would reduce in October because of the revised capacity:commodity charging split. The Transporters were asked to return to the next UNCC meeting seeking approval for the change. MD suggested that Shipper representatives should be briefed by the Workstream attendees and that a group might usefully be established to review the whole document.

4.0 AOB

4.1. Update from iGT Modification Panel

No update available

- 4.2 JM advised that Review Group 0175 had not held a meeting for sometime and questioned where the analysis was . CW advised that xoserve were developing options and proposals would be available within a month. JM suggested, and it was agreed, that a meeting be held following the June Distribution Workstream and the Panel be asked for an extension for the Group to conclude its work.

Action 0504: JM to ask Panel to extend the deadline for Review Group 0175 reporting by a further three months.

- 4.3 SL provided an update on proposed governance arrangements to support User Pays (see presentation on Website under May Governance Workstream meeting)

5.0 Diary Planning for Workstream

Next Meetings:

Thursday 26 June 2008, 10:00, Elexon, 350 Euston Road, London

Thursday 24 July 2008, 10:00, 31 Homer Road, Solihull, B91 3LT

Thursday 28 August 2008, 10:00, Elexon, 350 Euston Road, London

Thursday 25 September 2008, 10:00, Elexon, 350 Euston Road, London

Thursday 23 October 2008, 10:00, 31 Homer Road, Solihull, B91 3LT

Thursday 27 November 2008, 10:00, Elexon, 350 Euston Road, London

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DIS0201	28/02/08	2.1	All to consider the suggested 50% threshold for cost recovery – UNC0197.	All	Some amendments to the Proposal are expected. Action: Carried Forward
DIS0302	27/03/08	3.6	Shippers to consider what Reported Shrinkage information would be required from Transporters	All Shippers	Action: Carried Forward
DIS0401	24/04/08	2.1	National Grid Distribution to produce a set of detailed business rules for UNC 0192 for the May meeting.	National Grid Distribution (AC)	Action: Completed
DIS0501	22/05/08	2.1	CW to clarify the proposed process for dealing with previous Shippers and other parties, such as MAMs	National Grid Distribution (CW)	Action: Pending
DIS0502	22/05/08	2.2	MD to amend Proposal.	British Gas (MD)	Action: Pending
DIS0503	22/05/08	2.3	MD to amend Proposal.	British Gas (MD)	Action: Pending
DIS0504	22/05/08	4.2	JM to ask Panel Meeting to extend the deadline for Review Group 0175 reporting by a further three months	Joint Office (JM)	Action: Pending