

Distribution Workstream Minutes
Thursday 22 November 2007
Elxon, 350 Euston Road, London

Attendees

Tim Davis (Chair)	TD	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Alex Travell	AT	E.ON UK
Alison Chamberlain	AC	National Grid Distribution
Andy Miller	AM	xoserve
Chris Hill	CH	RWE npower
Chris Warner	CW	National Grid Distribution
Guy Hammond	GH	Gaz de France
James Crosland	JC	Corona Energy
Joel Martin	JMa	Scotia Gas Networks
Jon Dixon	JD	Ofgem
Linda Whitcroft	LW	xoserve
Marie Clarke	MCl	Scottish Power
Mark Jones	MJ	SSE
Mick Curtis	MC	E=MC ²
Mitch Donnelly	MD	British Gas
Ndidi Njoku	NN	Ofgem
Richard Street	RS	Statoil (UK)
Richard Wilson	RW	National Grid Transmission
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy
Steve Pownall	SP	National Grid Transmission
Tricia Moody	TM	xoserve

1.0 Introduction and Status Review

1.1. Minutes from September Distribution Workstream

ST questioned why action Dis0301b had been closed, and it was confirmed that this had been agreed by the Workstream (see extract below from previous minutes).

Action Dis0301b: *PB to raise at the Gas Forum whether Shippers are receiving sufficient/accurate information from their service providers and that their processes are robust with respect to reporting bypass activity for monthly read meters.*

Action Update: *PB indicated that this was ongoing and it was agreed that the action be closed.*

Action: *Closed.*

Minutes were then approved.

1.2. Review of Actions from previous meetings

Action Dis1001: CH to review Modification Proposal 0172 "Transporter Obligations Pertaining to Void and Vacant Sites" in light of feedback.

Action Update: Amended Modification Proposal issued 19 November 2007

Action: Complete

1.3. Review of Live Modification Proposals and Topics Log

TD reviewed the Live Modification Proposals and Topics Log.

2.0 Modification Proposals

2.1. Proposal 0171: “Amendment of “User SP Aggregate Reconciliation Proportion” to incorporate historical AQ Proportions”

CH explained the changes made to the Proposal. AC expressed concerns that the Modification Proposal may not be sufficiently clear to enable National Grid to produce legal text. AC provided a presentation and confirmed that the legal text would be based on Aggregate Monthly AQ.

LW confirmed that the Neutrality pot had been discussed at the EBCC meeting and highlighted that there are a number of options for managing this.

CW suggested that smearing may need to be considered further. However others believed that the Modification Proposal was sufficiently clear in this respect. RS questioned the proposed smearing mechanism and felt alternative solutions may have merit. CH highlighted that an alternative Modification Proposal could be raised if others wished to put forward a different approach to smearing.

ST questioned the limit to reconciliations over 50GWhs and highlighted that this would not be in line with Modifications 0643 and the Proposal expected to follow from the Review Group 0131 discussions. He also questioned why LDZ to LDZ errors were to be excluded. RW highlighted that LDZ to LDZ errors can occur, and have done so recently with up to 30GWhs involved. SP suggested for consistency that all reconciliations should be included and the Proposal should not be limited to NTS to LDZ Offtakes.

CH confirmed that the 50GWhs reconciliation value takes into consideration the backstop implemented as a result of UNC 0152V.

A discussion evolved around the management of proportional reconciliations based on portfolios and how insolvency and voluntary withdrawals would be managed. AC highlighted the requirement for the Modification Proposal to consider partial month reconciliation. CH agreed to consider the issues raised and to revise the Modification Proposal before December’s Panel Meeting.

The Workstream then considered and completed the Workstream Report.

A debate considered the xoserve cost involved should the Modification Proposal be implemented and whether these would fall under Ofgem’s proposed user pays regime. JD said that if Ofgem direct implementation before 1 April 2008, the Proposal would follow the existing, bundled, arrangements. ST suggested that consideration of costs be provided with representations.

2.2. Proposal 0172: “Transporter Obligations Pertaining to Void and Vacant Sites”

CH explained the changes made to the proposal.

CW provided a presentation considering the ramifications for the Transporters. He explained that service disconnection may not always be followed by demolition, and illustrated differing scenarios of planned and unplanned disconnections. This highlighted that some disconnections are not undertaken by the Transporters. He concluded that notification of

disconnection would not be possible within 10 days as there was not a supporting process to enable this.

MC suggested that the Modification is only asking for notices to be provided for disconnection that have been undertaken by the Transporter, and that this should be feasible within 10 days.

ST questioned the suggested legal text and the use of the term “prior to the demolition of the property”. CH clarified that the notice was not required prior to the demolition - this would be a restricted obligation for Transporters to provide notice of a disconnection when the disconnection was prior to a demolition irrespective of whether the demolition went ahead.

CW suggested that the Modification scope may want to include all disconnections. This would require some process development by the Transporters to support but would have more benefit to Shippers wanting to avoid unnecessary Transportation Charges for sites that can be withdrawn.

MD confirmed that the Transporters already notify xoserve when the status of a Meter Point is changed to dead. AM also confirmed that following this notification process xoserve produce a report for Shippers identifying those Meter Points registered with that Shipper that have been set to dead. AM confirmed that when a Meter Point is set to dead on UK Link the only charge the Shipper will incur is a capacity charge, which continues until the Shipper voluntarily withdraws. JMa questioned what further advantages are provided by the Modification Proposal compared to this existing reporting practice undertaken by xoserve.

CW reiterated his concerns that this Proposal is limiting the obligation to demolitions and to provide Shippers with the ultimate solution for avoiding unnecessary charges, there is an opportunity for all disconnections to be considered.

Having considered the issues raised, CH confirmed he still wished to progress with the Modification Proposal. The Workstream Report was therefore considered and produced.

2.3. Proposal 0179: “Requirement for Non-Effective Days for the Purposes of the UK Link Technology Refresh (UKLTR) Project”

ST explained why the Proposal had been referred back to the Workstream and summarised further changes he expected to make to the Proposal for consideration at the December 2007 Panel meeting. He did not believe it was appropriate to complete a Workstream Report as the changes would be significant and provide the clarity required for the Proposal to be directed to Consultation at the December Panel meeting

MC expressed concerns with the catch up arrangements, particularly for certain data provision such as opening read windows. AM indicated that a priority for certain data items and their associated processes would be established.

ST confirmed he would provide an amended Modification Proposal and requested that the industry consider the Proposal and provide any feedback in time for consideration before the amended Modification Proposal is submitted to December’s Panel Meeting.

Action 1101: ST to submit amended Modification Proposal UNC0179.

Action 1102: All to consider amended Modification Proposal UNC0179 and provide feedback by 10 December.

In order to ensure timely implementation and allow, it was discussed whether the Modification process required shortened timescales for consultation. JD said he would rather the industry be allowed sufficient time for consultation even if this meant that Ofgem had a narrow window in which to issue a direction.

3.0 Topics

3.1. 014Dis, CSEP NExA agreements

It was noted that discussions are continuing in other forums.

3.2. 025Dis, User Pays

AM presented the present proposals for implementing a user pays approach to funding some services provided by xoserve, distinguishing between Type 1 (UNC services) and Type 2 (non-UNC services). AM confirmed a breakdown of current service usage will be provided to enable users to establish future service orders.

AT questioned why Type 2 was proposed for services such as SCOGES and other SPAA obligations, and asked when this would be considered?

Action 1103: CW agreed to investigate likely SPAA Impacts.

GH asked about the charges and transparency of the charging mechanisms. AM explained that users will not be precluded from entering into commercial arrangements for non standard services.

CW provided a Draft Modification Proposal entitled "Introduction into the UNC of the Agency Charging Statement ("User Pays")".

3.3. 026Dis, RbD Issues Log

No issues raised.

3.4. Any New Topics

3.4.1. Draft Modification Proposal and Draft Ancillary Document, "Measurement error notification guidelines for NTS to LDZ metered offtakes and LDZ to LDZ metered transfers"

SL provided a presentation summarising the mechanisms of the proposed Notification Process inviting any questions or concerns before EDF Energy raise a Modification Proposal.

ST also provided a presentation and explained that the Transporters had met and produced detailed draft Business Rules. ST invited comments on the draft Business Rules and EDF Guidelines, which will be made available on the Joint Office website (under November Distribution Workstream).

SP requested that the Joint Office issue an email inviting comments and to confirm the availability of the documents.

Action 1104: All to review the documents available on the Joint Office Website and provide feedback by the end of November 2007.

Action 1105: JO to invite feedback via email.

3.4.2. Updating Emergency Contact Information

SL highlighted a problem of issuing Shipper Emergency Contacts to Transporters. He suggested the Joint Office publish the Transporter contacts on the website.

Action 1107: Transporters to investigate the provision of Emergency Contacts and provide an update at the next Distribution Workstream.

The Workstream agreed that this new Topic should have a high priority.

3.4.3. UNC Modifications 0115 and 0115a

RS introduced the Topic. MD confirmed that he was intending to draft a new Modification Proposal for the next Distribution Workstream Meeting.

PB suggested that a Review Group be established to undertake further analysis, consider Ofgem's decision letter and examine evidence.

MD acknowledged the comments made but was not supportive of another industry Review Group. It was agreed the Topic would be discussed further at the Distribution Workstream meetings to aid development.

JD suggested that costs are considered and that costs are targeted appropriately, taking into account Shipper behaviours and the level of risk.

RS suggested that a list of questions is derived from Ofgem's decision letter for the Workstream to consider prior to next month's meeting.

Action 1108: RS/MD to produce a list of questions for circulation by the Joint Office.

Action 1109: All to consider list of questions and the provision of evidence before the December Workstream meeting.

3.4.4. Draft Modification Proposal "Provision of Data in respect of downstream networks by the iGT directly connected to the Distribution Network"

CW introduced the Draft Modification Proposal seeking to address issues concerning nested CSEPs.

MCI commented on the downstream and upstream weekly updates. She suggested a more frequent update should be permitted. CW commented that a daily update may not be feasible. It was suggested the Modification Proposal should request "at least" weekly updates.

CW confirmed the Modification Proposal would be raised in time for the December Panel to consider issuing to consultation.

4.0 AOB

4.1. Update from iGT Modification Panel

MCI provided a brief update and confirmed that information is available on the iGT website. She confirmed that the Panel had requested an update from all the UNC Review Groups and MCI has agreed to keep the iGT panel informed.

4.2. South Wales Offtake Errors

ST provided an update on these errors, based on provisional figures. It is intended the December Billing Operations Forum will be utilised to initialise the 0643 process.

5.0 Diary Planning for Workstream

Next Meetings:

Tuesday 18 December, 10:00 at the Renewal Conference Centre, Solihull (location changed from Ofgem, Milbank).

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

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis1001	27/09/07	2.1	CH to review Modification Proposal 0172 in light of feedback.	RWE (CH)	Action: Complete
Dis1101	22/11/07		ST to submit amended Modification Proposal UNC0179.	WWU (ST)	Action: Pending
Dis1102	22/11/07		All to consider amended Modification Proposal UNC0179 and provide any feedback by 10 December.	All	Action: To be complete by 10 December 2007
Dis1103	22/11/07		CW agreed to investigate likely SPAA Impacts.	Transporters (CW)	Action: Pending
Dis1104	22/11/07		All to review the documents available on the Joint Office Website and provide feedback by the end of November 2007.	All	Action: To be complete by 30 November 2007
Dis1105	22/11/07		JO to invite feedback via email.	Joint Office (HC/TD)	Action: Pending
Dis1106	22/11/07		Transporters to investigate the provision of Emergency Contacts and provide an update at the next Distribution Workstream.	Transporters (CW)	Action: Pending
Dis1107	22/11/07		RS/MD to produce a list of questions for circulation by the Joint Office.	Shippers (RS/MD)	Action: Pending
Dis1108	22/11/07		All to consider list of questions and the provision of evidence before the December Workstream meeting.	All	Action: Pending