

**Distribution Workstream Minutes**  
**Thursday 23 August 2007**  
**Elaxon, 350 Euston Road, London**

**Attendees**

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Amrik Bal	AB	Shell
Andrew Margan	AM	BGT
Bali Dohel	BD	Scotia Gas Networks
Brian Durber	BD	E.ON UK
Chris Hill	CH	RWE npower
Clare Temperley	CT	Gas Forum
Erika Melen	EM	E.ON
Jon Dixon	JD	Ofgem
Kerri Matthews	KM	National Grid
Linda Whitcroft	LW	xoserve
Ljuban Milicevic	LM	Ofgem
Marie Clarke	MC	Scottish Power
Mick Curtis	MC	E=MC <sup>2</sup>
Mitch Donnelly	MD	British Gas Trading
Ndidi Njoku	NN	Ofgem
Phil Broom	PB	Gaz de France
Phil Lucas	PL	National Grid Distribution
Richard Dutton	RD	Total Gas & Power
Richard Street	RS	Statoil
Rob Cameron-Higgs	RCH	Northern Gas Networks
Sebastian Eyre	SE	EDF Energy
Simon Howe	SH	RWE Npower
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy

**Apologies**

Alan Raper	AR	National Grid Distribution
Mark Jones	MJ	SSE
Tim Davis	TD	Joint Office of Gas Transporters

**1.0 Introduction and Status Review****1.1. Minutes from July Distribution Workstream**

ST confirmed that a response had been provided to Action 0402c and that text would be provided for inclusion within this month's minutes. See Action 0402c.

The Minutes of the previous meeting were approved.

**1.2. Review of Actions from April Distribution Workstream meeting**

**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:** Carried Forward to September Workstream.

**Action: Carried Forward**

**Action Dis0402b:** CW advised that National Grid was undertaking a review of enforceability and would return with a response before the next meeting.

**Action Update:** PL reported that a response was pending from National Grid's Lawyers.

**Action: Carried Forward**

**Action Dis0402c:** DNs to clarify their position on when a legal opinion was/was not required. CW to provide examples before the next meeting.

**Action Update:** ST provided the following update:

Code would require a Legal Opinion for all non England and Wales entities and WWU would have to apply this in all cases. WWU already have several PCGs in place, going forward they would ask for a Legal Opinion at the point they are varied or replaced. WWU latest PCG is of an enduring nature as they have inserted a variation clause that allows for varying the value and/or expiry date without the need for a full resign. Once a full Legal Opinion has been obtained WWU would then only require the User to get confirmation, from the Legal Opinion solicitor, that the variation page was executed validly and that nothing else material had changed since the Legal Opinion was prepared.

**Action: CW examples to be provided. Carried forward**

**Action Dis0602:** All to consider RWE's Draft Modification Proposal for further discussion at July's Distribution Workstream Meeting.

**Action Update:** See Topic 018 Item 3.2

**Action: Complete**

**Action Dis0603:** All Shippers to consider if small value credits and debits should be written off and if so what the value should be limited to.

**Action Update:** ST again welcomed feedback. See Topic 023 Item 3.4.

**Action: Complete**

**Action Dis0701:** RWE to provide clarification on the purpose/objectives of the Cost Information, in advance of the DCMF meeting.

**Action Update:** SH confirmed information had been provided.

**Action: Complete**

**Action Dis0702:** JO to issue details of the various Review Group meetings (dates, times and venues).

**Action Update:** JM provided a brief summary of the Review Groups within the Live Modification Update. Review Group 0168 initial meeting date was agreed for Thursday 13 September at Elexon following the UK Link Committee. MD confirmed an identical iGT Modification will be raised to mirror 0168

**Action: Complete**

### 1.3. Review of Live Modification Proposals and Topics Log

JM reviewed the Live Modification Proposals and Topics Log. (The topics were covered in more detail under each agenda item - see below).

NN provided an update on Modification Proposals awaiting Ofgem's decision.

## 2.0 Modification Proposals

### 2.1. Proposal 0160: “Provision of Cost Information ”

JM provided an update from the Distribution Charging Methodology Forum (DCMF) highlighting the concerns expressed by Transporters that the data items requested within this Modification Proposal would have no beneficial value for forecasting purposes.

ST requested that further consideration of Modification Proposal 0160 is best placed at the DCMF.

## 3.0 Topics

### 3.1. 014Dis, CSEP NExA agreements

JD confirmed a meeting will be held on 11 September 2007 aimed at looking at existing NeXAs and assessing what needs to be amended. JD acknowledged that the existing inter Transporter governance is not fit for purpose and needs to be refreshed, confirming that the group hope to be examining a selection of options.

### 3.2. 018Dis, Charging for reconciliation quantities.

SH confirmed that RWE have produced a Draft Modification Proposal considering xoserve’s “Allocation of RbD Across Relevant Period” presentation.

SH provided a presentation confirming that the Modification would be restricted to adjustments of 50 GwH or greater. He confirmed that the intention was to raise the Modification Proposal at the September Panel meeting and welcomed feedback.

RD believed the charges should not be smeared back to Shippers when Shippers become insolvent, he believed Transporters should actually receive this smear. SH suggested that the Transporters would not welcome such change and that currently Shippers pick up the smear based on AQ holdings at the time the invoice is issued. ST provided his support for the continuation of Shipper smearing.

MC questioned if the 50GwH restriction was due to system changes, SH confirmed that it would be possible for xoserve to manage an offline system for adjustments of 50GwH or over.

LW provided xoserve’s presentation which had been deferred from July’s meeting.

RS challenged xoserve’s preservation of data. LW confirmed that daily figures are not kept however the monthly data is.

**Action 0801:** RWE to raise Modification Proposal “Amendment to “User SP Aggregate Reconciliation Proportion” to incorporate historical AQ Proportions” in time for September’s Panel Meeting.

### 3.3. 021Dis, Individual Meter Point Reconciliation

JM highlighted that Review Proposal 0168 “Individual Meter Point reconciliation” had been raised and an initial meeting set for Thursday 13 September 2007.

The Workstream believed that the Topic should be closed. JM confirmed that the owner of the Topic would be approached to seek closure.

**Action 0802:** Joint Office to seek closure of SSE's Topic 021Dis – Individual Meter Point Reconciliation.

### 3.4. 023Dis, Small Value Invoices

ST welcomed feedback and requested that the Topic is placed on hold whilst further consideration was being given to the Topic.

RS believed that Shippers should be pragmatic, highlighting that there are practical issues with not being able to stop the invoice being sent. However RS confirmed he could not support the Proposal going forward if the invoice could not be prevented from being sent. SH concurred once an invoice has been issued Shippers have to respond.

ST confirmed that the proposal is still being considered but would like the Topic placed on hold with the priority changed to low.

### 3.5. Any New Topics

#### 3.5.1. Demolished Void and Vacant Sites – RWE

CH briefly explained the existing process for demolitions where the party undertaking the demolition is obliged to inform the Relevant Transporters of the demolition. KM confirmed that National Grid should be notified of a required demolition to ensure appropriate disconnection. She believed that as part of the disconnection process an automatic update to UK Link is applied and the appropriate Shipper is notified. BD confirmed the same disconnection process is applied within SGN. KM highlighted the Shippers are responsible for ensuring Shipper Contacts are maintained to ensure the notification is being received.

CH requested if DNs could provide details of their existing Demolished Sites process.

**Action 0803:** All Transporters to provide existing internal Demolition Procedures prior to September's Distribution Workstream

ST questioned if a site is isolated how long would RWE maintain site registration on their portfolio (i.e. not withdraw site). SH confirmed the site would remain on the portfolio dependant on the site being domestic or I&C in case of a new occupant wishing to receive their gas supply through NPower.

**Post Meeting Note provided by CH:** Void and vacant properties often have their meter "isolated", i.e. configured in such a way that the supply point is rendered incapable of offtaking gas from the system but also in such a way that the meter is not removed (within the allowed twelve month timeframe before this must be carried out) and it can be easily reconnected. The supply point in question is then noted as being isolated in the Sites and Meters Database. Despite being incapable of offtaking, however, capacity charges are still paid by Shippers with relation to the isolated supply point in question.

RWE's concern is that, although parties involved in demolition of void and vacant sites are obliged to inform the relevant gas Transporter of such planned demolition in line with the Building Act 1984, RWE have been unable to find any reference in the UNC or SPAA to Transporters being required to pass this information on to Shippers or Suppliers. This could then potentially lead to Shippers paying capacity charges for supply points which no longer exist, as a result of unintentional oversight by Transporters.

As discussed at the Distribution Workstream, RWE would like all DNs to please provide details of their existing internal regimes related to provision to Shippers of information relating to this prior to the next Distribution Workstream where this topic can then be discussed further.

### **3.5.2. Revised Tender Timescale for DN Interruption Arrangements**

RCH provided a presentation on behalf of National Grid Distribution confirming the intention to raise a modification at the September Modification Panel.

MC challenged if the eligibility list would need to be amended, RCH confirmed that the DNs intend to re-publish the list.

MD expressed concern about the impact on the change of ownership process, particularly in relation to the availability of information on eligibility and zone requirements around 01 April. He also expressed concern about the timescales associated with eligibility notifications and the ability to understand customer requirements for the tender process.

RD expressed a concern with Transporters extending their timescales to the detriment of the Shippers timescales to undertake system changes. MC and CH confirmed that effectively Shippers are losing a month's development time. ST confirmed that the Transporters will also be affected by the system development timescales.

MC challenged what would happen where a Transporters interruption requirements per zone is achieved ahead of schedule.

Shippers wanted a commitment that the Proposal will be produced allowing sufficient time for Shippers to consider before the September Panel Meeting.

**Action 0804:** National Grid to raise Modification Proposal "Revised Tender Timescale for DN Interruption Arrangements" allowing sufficient time for consideration before September's Panel Meeting.

### **3.5.3. Encouraging Participation in the elective Daily Metered Regime**

PB introduced a new Topic in response to the Ofgem decision Letter for Modification Proposal 0088 "Extension of DM Service to enable Customer Demand Side Management". PB confirmed his intention to raise a Review Proposal

PB welcomed feedback on the Draft Review Proposal to assist with the scope development with the intention of raising the Review Proposal at September's Panel Meeting.

**Action 0805:** All to provide feedback to Gaz de France Draft Review Proposal.

**Action 0806:** Gaz de France to raise Review Proposal for September's Panel Meeting.

## **4.0 AOB**

### **4.1. Update from iGT Modification Panel**

ST confirmed that the iGT Modification Panel met last month and that there are currently 5-6 Review Proposals and 10 Modification Proposals. All the information is available on the website IGT Website.

## **5.0 Diary Planning for Workstream**

### Next Meetings:

Thursday 27 September 2007, 10:00 at Elexon, 350 Euston Road, London

Thursday 25 October 2007, 10:00 Solihull location to be confirmed

Thursday 22 November 2007, 10:00 at Elexon, 350 Euston Road, London

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
Dis0301b	24/05/07	1.2	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.	Gaz de France (PB)	Action: Carried Forward
Dis0402b	24/05/07	1.2	CW advised that National Grid was undertaking a review of enforceability and would return with a response before the next meeting.	National Grid (CW)	Action: Carried Forward
Dis0402c	24/05/07	1.2	DNs to clarify their position on when a legal opinion was/was not required. CW to provide examples before the next meeting.	All DNs National Grid (CW)	Action: Carried Forward
Dis0602	28/06/07	3.2	All to consider RWE's draft Modification Proposal for further discussion at July's Distribution Workstream Meeting.	All	Action: Complete
Dis0603	28/06/07	3.4	All Shippers to consider if small value credits and debits should be written off and if so what the value should be limited to.	All Shippers	Action: Complete
Dis0701	27/07/07	2.1	MP0160: RWE to provide clarification on the purpose/objectives of the Cost Information, in advance of the DCMF meeting.	RWE Npower (CH)	Action: Complete
Dis0702	27/07/07	2.1	JO to issue details of the various Review Group meetings (dates, times and venues).	JO (JM)	Action: Complete
Dis0801	23/08/07	3.2	RWE to raise Modification Proposal "Amendment to "User SP Aggregate Reconciliation Proportion" to incorporate historical AQ Proportions" in time for September's Panel Meeting.	RWE (SH)	Action: Pending
Dis0802	23/08/07	3.3	Joint Office to seek closure of SSE's Topic 021Dis – Individual Meter Point Reconciliation.	Joint Office	Action: Pending
Dis0803	23/08/07	3.5.1	All Transporters to provide existing internal Demolition Procedures prior to September's Distribution Workstream	All Transporters	Action: Pending
Dis0804	23/08/07	3.5.2	National Grid to raise Modification Proposal "Revised Tender Timescale for DN Interruption Arrangements"	National Grid	Action: Pending

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<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
			allowing sufficient time for consideration before September's Panel Meeting.		
Dis0805	23/08/07	3.5.3	All to provide feedback to Gaz de France Draft Review Proposal.	All	Action: Pending
Dis0806	23/08/07	3.5.3	Gaz de France to raise Review Proposal for September's Panel Meeting.	Gaz de France (PB)	Action: Pending