

**Distribution Workstream Minutes**  
**Thursday 24 July 2008**  
**31 Homer Road, Solihull B91 3LT**

**Attendees**

Julian Majdanski	JM	Joint Office
Bob Fletcher	BF	Joint Office
Beverley Viney	BV	National Grid Transmission
Brian Durber	BD	E.ON UK
Claire Thorneywork	CT	National Grid Transmission
Fiona Cottam	FC	xoserve
Jemma Woolston	JW	Shell Gas Direct
James Boraston	JB	RWE npower
Joel Martin	JMa	SGN
John Costa	JC	EdF
Linda Whitcroft	LW	xoserve
Mark Jones	MJ	SSE
Phil Lucas	PL	National Grid Distribution
Richard Robinson	RR	TPA Solutions Ltd
Sallyann Blackett	SB	E.ON UK
Simon Trivella	ST	Wales & West Utilities
Steve Nunnington	SN	Xoserve

**Apologies**

Chris Warner	National Grid Distribution
Helen Cuin	Joint Office
John Dixon	Ofgem
Mitch Donnelly	British Gas
Phil Broom	Gaz de France
Robert Cameron-Higgs	Northern Gas Networks
Shelley Rouse	Statoil (UK)
Stefan Leedham	EDF Energy

**1.0 Introduction and Status Review**

**1.1 Minutes from June Workstream**

The minutes of the previous meeting were approved.

**1.1 Review of Actions from previous meetings**

**Action 0601:** National Grid Distribution to amend Proposal 0192

**Action Update:** UNC0192 amended.

**Action Complete**

**Action 0602:** National Grid Distribution to clarify the RGMA data flows when asset data is corrected and there has been a change/changes of Supplier since the correction should have been made.

**Action Update:** It was confirmed that the previous User would be notified by any RGMA data flows.

**Action Complete**

**Action 0603:** xoserve to clarify the changes needed if I&C Shippers were to be billed in respect of detected theft volumes.

**Action Update:** LW confirmed that a review is underway and she hoped to present findings at the next meeting.

### **Action Carried Forward**

**Action 0604:** DNs to clarify the UNC obligations with respect to billing when I&C theft is discovered.

**Action Update:** DN representatives did not believe there was an obligation under UNC

**Action Complete**

**Action 0605:** JO to produce a draft Workstream Report and add Proposal 0199 as an agenda item for the July Workstream meeting.

**Action Complete.**

**Action 0606:** JO to provide the July Modification Panel with a report on Proposal 0201.

**Action Update:** Proposal 0201 varied and replaced by 0201V

**Action Complete.**

**Action 0608:** JO to issue a further invitation to the 7 July Governance Workstream.

**Action Complete**

**Action 0609:** Ofgem to consider whether they would wish to lead any further cross-industry work on credit best practice.

**Action Update:** No update available

**Action Carried forward**

## **1.1 Review of Live Modification Proposals and Topics Log**

BF summarised changes to the Modification Register since the previous Distribution Workstream meeting.

## **2.0 Modification Proposals**

### **2.1 Proposal 0197: “Increasing User Incentives for the Investigation and Detection of Theft through the Reasonable Endeavours Regime”**

As the Proposer (MD) was not present this was carried forward to next month.

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

The workstream report was completed, however Transporter representatives reiterated the view that there was sufficient clarity and they considered that the Modification was not needed.

### **2.4. Proposal 0218: “Amendment to the base period used to define Seasonal Normal weather”**

SB gave a presentation which gave the background to the Proposal and explained it was an enabling Modification to allow the potential to be able to do something different in 2010 and consider the use of forecast data rather than just historical data. She stressed that it was to make the Code more flexible and it would not mandate the use of forecast data.

JM reported that there had been concern over the tight timetable to achieve 1/12/2008 implementation date.

SB advised that the date was not critical, but she was aware that xoserve would be holding discussions with the Transporters in early 2009 to set Seasonal Normal from October 2009 and they would need to be mindful of this Proposal.

ST noted that there was a disjoint between the Proposal which talked about using Met Office forecast data and the suggested legal text which did not. He was unclear how text could be drafted to fit in with the Code as the current methodology was prescriptively defined.

BD questioned where the current weather data was obtained from. FC confirmed that there were a number of data providers.

ST noted that the data currently used is actual historical data rather than forecast. SB pointed out that forecast data is currently used in the Code for day ahead allocation.

A discussion evolved around different forecaster's using different methodologies and the longer the forecast the greater the reliance on assumptions.

SB advised that the "Met Office decadal prediction model" had been developed in order to forecast ten years ahead in order to improve the UK planning baseline.

ST questioned how long the model had been used for and SB confirmed that it was a new model but it had been used to backcast 15 years where it had showed a 20% improvement over the forecast used, which was based on the current 17 year historical average.

RR noted that 1-in-20 Peak Day would not be affected if the new method of forecast was adopted and any change to the way 1-in-20 Peak Day is calculated would require a Licence change.

FC clarified that even though the assumption for Seasonal Normal will be based on warmer temperatures than historically used and therefore result in lower AQs, Peak Day is still the estimate of what is the coldest possible day.

SB confirmed that the Proposal related to the average and not the extreme.

SB agreed to consider amendments to the Proposal in the light of comments received.

**Action 0701:** SB to consider amendments to the Proposal.

### 3.0 Topics

#### 3.1 014Dis, CSEP NExA agreements

The final Review Group 0157 Report was finalised at the Ofgem CSEP NExA Meeting on 14 July. This was accepted by the 17 July Panel Meeting.

#### 3.2 025Dis, User Pays

An additional Governance Workstream meeting was held on 7 July to discuss Modification Proposal 0213, the next meeting would be the normal Governance Workstream to be held on 21 August. ST considered it would be

useful to send out a note informing the industry that 0213 was to be discussed.

**Action 0702:** JO to issue a further invitation to the 21 August Governance Workstream.

### **3.3 026Dis, RbD Issues Log**

No update to report.

### **3.4 030Dis, DN Shrinkage Changes**

ST reported that DN's were moving ahead with changes to be implemented by UNC 0203 which is due to commence on 1 October. It was also noted that a Shrinkage Forum meeting to discuss this on 11 July was cancelled due to low level of attendance.

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

ST felt establishing a cross-industry group would be helpful. Ofgem have agreed to consider whether they would wish to lead any further work in this area which was recognised as a cross-industry issue.

ST reported that iGT Proposal 021 had been raised which would reflect Credit Arrangements in the iGT UNC.

### **3.6 Any New Topics**

None

## **4.0 AOB**

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

ST advised that iGT Review Proposal 008 had been put on hold to await the outcome of the Ofgem review of Governance.

Also see item 3.5

## **5.0 Diary Planning for Workstream**

Next Meetings:

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
DIS0601	27/06/08	2.1	National Grid Distribution to amend Proposal 0192	NGD (AC)	Action: Complete
DIS0602	27/06/08	2.1	National Grid Distribution to clarify the RGMA data flows when asset data is corrected and there has been a change/changes of Supplier since the correction should have been made	NGD (CW)	Action: Complete
DIS0603	27/06/08	2.2	xoserve to clarify the changes needed if I&C Shippers were to be billed in respect of detected theft volumes	xoserve (LW)	Action: Carried Forward
DIS0604	27/06/08	2.2	DNs to clarify the UNC obligations with respect to billing when I&C theft is discovered	All DN's	Action: Complete
DIS0605	27/06/08	2.3	JO to produce a draft Workstream Report and add Proposal 0199 as an agenda item for the July Workstream	Joint Office (JM)	Action: Complete
DIS0606	27/06/08	2.4	JO to provide the July Modification Panel with a report on Proposal 0201	Joint Office (JM)	Action: Complete
DIS0608	27/06/08	3.2	JO to issue a further invitation to the 7 July Governance Workstream	Joint Office (JM)	Action: Complete
DIS0609	27/06/08	3.2	Ofgem to consider whether they would wish to lead any further cross-industry work on credit best practice	Ofgem (JB)	Action: Carried Forward
DIS0701	24/07/08	2.4	SB to consider amendments to the Proposal	E.ON (SB)	Action: Pending
DIS0702	24/07/08	3.2	JO to issue a further invitation to the 21 August Governance Workstream	Joint Office (JM)	Action: Pending