

Distribution Workstream Minutes
Thursday 25 January 2007
Novotel, Birmingham International Airport, Solihull

Attendees

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Alex Travell	AT	E.ON UK
Chris Warner	CW	National Grid Distribution
Gareth Evans	GE	Total Gas & Power
James Crosland	JC	Corona Energy
Jenny Boothe	JB	Ofgem
Linda Whitcroft	LW	xoserve
Mark Jones	MJ	Scottish and Southern
Mick Curtis	MC	E=MC ²
Ndidi Njoku	NN	Ofgem
Phil Lucas	PL	National Grid Distribution
Sallyann Blackett	SaB	xoserve
Simon Howe	SH	RWE Npower
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy
Steve Briggs	SBr	British Gas Trading

Apologies

Marie Clark	MCI	Scottish Power
Graham Wood	GW	British Gas Trading

1. Introduction and Status Review

1.1. Minutes from November Distribution Workstream

SH highlighted that November's minutes referred to CWA within section 1.1. CWA refers to Claire Walsh, British Gas Trading.

The Minutes of the previous meeting were then approved.

1.2. Review of Actions from September Distribution Workstream meeting

Dis0802: Ofgem to consider providing a written response, outlining its preliminary view on Network Ownership beyond the ECV, to assist with policy development.

Action Update: JB confirmed that Ofgem have sought legal advice due to the complexities involved with this issue. Ofgem are consulting Legal Counsel in order to form a policy view. They hope to be in a position to advise of their progress prior to the next Workstream Meeting.

Action: Carried forward

Dis0903: Proposal 0115 "Correct Apportionment of NDM Error", Graham Wood (GW) to work with xoserve and the Distribution Networks to understand the scale of the issue and provide a more detailed proposal for the Workstream.

Action Update: Proposal amended and provided with meeting papers.

Action: Complete

Dis1001: Proposal 0115: "Correct Apportionment of NDM Error" – JM to request Panel for an extension in monthly report.

Action Update: Panel agreed to an extension until April 2007.

Action: Complete

Dis1003: Proposal 0117/0117a: "Amendment to Invoice Billing Period". Fiona Cottam to advise the date and details once the next Billing Operational Forum has been arranged.

Action Update: Modification 0117 rejected. Billing Operational Forums added to Joint Office Event Diary on website.

Action: Complete

Dis1006: Ofgem's proposed RbD Issues Log - JM to contact Ofgem and enquire as to the status of the proposed issues log.

Action Update: JB reported that the RbD Issue Log is likely to be available from February.

Action: Complete

Dis1101: GW to provide the JO with an amended Proposal 0115.

Action Update: Amended Proposal 0115 received and published with Workstream Agenda.

Action: Complete

Dis1102: GW to advise of planned meetings to discuss Proposal 0115 offline.

Action Update: GW not in attendance.

Action: Carried Forward

Dis1103: GW to provide the JO with an amended Proposal 0124.

Action Update: Amended Proposal 0124 issued 29 November 2006. Change Order request submitted to xoserve.

Action: Complete

Dis1104: Ofgem to consider facilitating a meeting with the AiGT, Transporters and Shippers to assist with the CSEP NExA issue resolution.

Action Update: JB reported that the IGTs have not implemented the NExA CSEP IGT Modifications due to issues that the IGTs wish to be discussed before implementing the Modifications. CW questioned if Ofgem are concerned with the current IGT position. He confirmed that National Grid Distribution will enter into negotiations to review the CSEP NExA, believing that the IGTs concerns relate to double jeopardy and have provided a draft Modification Proposal, which will remove these provisions. JB agreed to consider any elements that may need to be discussed at such a meeting.

Action: Carried Forward

Dis1105: LDZ RbD Reconciliation Notification Process, Review Proposal to be raised for the December Modification Panel Meeting.

Action Update: Review Proposal 0126: Restriction of Invoice Billing Period raised 24 November 2006.

Action: Complete

Dis1106: All to review Topic Discussion Paper on Mod Review Process 643 – LDZ RbD Reconciliation Notification Process and submit comments to: Stefan.Leedham@edfenergy.com

Action Update: SL reported that no comments were received. However he confirmed the intention to raise a Review Proposal on this particular issue.

Action: Complete

Dis1107: xoserve to request authorisation from National Grid to facilitate the publication of missing site data identified within Project Delta.

Action Update: PL confirmed that the legal team are reviewing the release of data. It is intended that a response will be provided at the next Workstream meeting.

Action: Carried Forward

1.3 Review of Live Modification Proposals and Topics Log

JM reviewed the current Distribution Modification Proposals:

Modification Proposal 0088: "Extension of DM service to enable Consumer Demand Side Management". JM confirmed that the January Panel deferred a decision for this Modification Proposal to allow consideration of the legal text.

Modification Proposals 0109, 0111, 0112, 0113 and 0114: JB confirmed that decisions are expected for the credit Modification Proposals on 26 January 2007. JB highlighted that the Proposals have been considered collectively and that it is likely that the decision letters will refer to each other.

Modification Proposal 0090 and 0099: JB confirmed these are still being considered.

JM reviewed the current Topic Status Report.

Topic 009Dis: Closure discussed and agreed.

Topic 016Dis: It was agreed that the Topic originator should be changed to E.ON.

2. Modification Proposals

2.1 Proposal 0115: "Correct Apportionment of NDM Error"

SBr provided a presentation addressing issues raised from the November Workstream, that detailed amendments to the Proposal and suggested next steps.

GE was concerned that the energy issue that he raised in November appeared not to have been addressed, where energy will be given back even when a site had been reconciled accurately.

MC expressed concerns relating to the setting of a single price for reconciliation due to the differing portfolios. SBr suggested that a simple solution could be built that was better and more efficient to the current process. The longer-term solution would be to implement individual meter reconciliation as used in the Electricity Market.

SaB highlighted that it is difficult to reconcile unallocated gas such as shrinkage and theft when it is not known where the reconciliation should be assigned.

SBr confirmed further exploration was required to find the fairest and most efficient and effective mechanism.

SBr noted CW's concern regarding the misallocation of energy within Version 1.1 of the Modification Proposal.

SBr confirmed that the intention was to undertake further development of the Modification Proposal with a view to completing the Workstream Report at the February Workstream.

3. Topics

3.1. **013Dis, Network Ownership beyond ECV at Prime and Sub-deduct Meter Configuration.**

See Action Update Dis0802 within item 1.2.

3.2. **014Dis CSEP NExA Agreements**

See Action Update Dis1104 within item 1.2.

3.3. **017Dis: LDZ RbD reconciliation Notification Process**

See Action Updates Dis1105 and Dis1106 within item 1.2.

3.4. **018Dis: Charging for reconciliation quantities**

SH highlighted two options for reconciliation, both of which will have benefits and weaknesses. SH sought views on whether the reconciliation should be based on a Shipper's historic share on their portfolio at the point in time of the incident or next month's share.

CW questioned if there would be a defined threshold for reconciling LDZ Metering errors.

SBr challenged how the charge would be determined, in particular for forward credits. An example was provided to illustrate that any mechanism needed to be equitable to avoid a scenario where a portfolio increased from 5% to 10% and debits are applied on the 5% and credits are applied on the 10%. SBr suggested whether a net position ought to be used.

SH noted all concerns for the further development of the Proposal.

3.5. **Any new topics**

3.5.1. **Clarification of Supply Point Confirmation Notice Requirements for certain Special Metering Supply Points**

PL provided a presentation.

AT wished to understand the likely volumes involved. PL suggested that an indication of this could be included within the Modification Proposal to be submitted.

3.5.2. **User Suppressed Reconciliation Quantities – Review of Modification 0637 regime**

CW provided a presentation.

PL noted that the most National Grid Distribution has ever effectively charged for the 95% 2 month standard (notionally £20) was £16.65, and for the 4 month standard (notionally £30) was £24.97. This was in September 2005.

PL advised that the last month in the analysis (November 2006) was also the lowest effective charge within the period of £5.77 for the 2 month standard (notionally £20), and £8.66 for the 4 month standard (notionally £30).

SBr suggested that the cap might not be providing a real incentive to address the suppressed items.

CW suggested that it was timely to review the Mod 0637 USRV incentive regime. It was discussed whether as a better incentive it may

be appropriate to remove the cap or release the suppressed items after a period of time.

It was agreed this item should be raised with a High Priority Status and discussed further at the February Workstream Meeting.

Action 0101: All to review USRV Incentives and consider other options for discussion at February's Distribution Workstream Meeting.

3.5.3. Meter Replacement and impact on Demands Estimation Sample

SaB provided a presentation raising an issue identified within DESC.

SaB highlighted the importance of maintaining an optimum proportion of Pulse enabled meters to ensure there is a good sample size for allocation purposes. SaB expressed concern that the sample is reducing significantly and at its current reduction rate this will become an issue within 2 years.

MC suggested the installation and dual use of information from an AMR Meter might be an alternative solution. However CW expressed a concern with this.

It was agreed this item should be raised with a High Priority Status and discussed further at the February Workstream Meeting.

Action 0102: All to consider the Meter Replacement issue and possible solutions for discussion at February's Distribution Workstream Meeting.

3.5.4. Individual Meter Point Reconciliation

MJ wished to raise a new High Priority Topic for discussion at February's Distribution Workstream relating to Individual Meter Point Reconciliation. It was agreed that Ofgem's RbD Consultation Conclusion document, which is due out in February, would also need to be taken into consideration.

3.5.5. LDZ Boundary and MPRN mismatch

ST wished to raise a new Medium Priority Topic for discussion at February's Distribution Workstream, relating to LDZ Boundary and MPRN mismatch.

4. AOB

4.1. Modifications 0094 and 0095 Implementation Timescales

CW sought views on an implementation timescale for Modification Proposals 0094: "Reconciliation following AQ Amendment, SSP becoming LSP with change of <20% or 15,000kWh", and 0095: "Reconciliation following AQ Amendment, SSP becoming LSP following change of Registered User".

CW highlighted that the Final Modification Reports suggested that implementation should be in line with the AQ Review Process, which indicated the potential date of March 2008.

SBr did not support this position, as he believed the modification was developed to change behaviour, not retrospectively change the rules.

However GE believed the modification did retrospectively change the rules, and that actions undertaken currently under the existing rules might retrospectively be incorrect under the new implemented rules.

SBr suggested that National Grid Distribution compared the implementation criteria for Modification Proposal 0640.

Action 0103: All to consider the implementation timescales for Modification Proposals 0094 and 0095 and provide a view no later than 16 February 2007.

Action 0104: JM to issue an email seeking views on the implementation timescales for Modification Proposals 0094 and 0095.

5. Diary Planning for Workstream

Next Meetings:

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

Thursday 22 March 2007, 10:00 at Novotel, Birmingham International Airport

Thursday 26 April 2007, 10:00 at Elexon, 350 Euston Road, London

Thursday 24 May 2007, 10:00 at Elexon, 350 Euston Road, London

Thursday 28 June 2007, 10:00 at Elexon, 350 Euston Road, London

Thursday 26 July 2007, 10:00 at Novotel, Birmingham International Airport

Thursday 23 August 2007, 10:00 at Elexon, 350 Euston Road, London

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0802	14/08/06	3.1	Ofgem to consider providing a written response, outlining its preliminary view on Network Ownership beyond the ECV, to assist with policy development.	Ofgem (PS)	Action: Pending
Dis0903	28/09/06	2.2	Proposal 0115: "Correct Apportionment of NDM Error", GW to work with xoserve and the Distribution Networks to understand the scale of the issue and provide a more detailed proposal for the Workstream.	BGT (GW) and xoserve	Action: Complete
Dis1001	26/10/06	2.1	Proposal 0115: "Correct Apportionment of NDM Error" – JM to request Panel for an extension in monthly report.	Joint Office (JM)	Action: Complete
Dis1003	26/10/06	2.2	FC to advise the date and details once the next Billing Operational Forum has been arranged.	xoserve (FC)	Action: Complete
Dis1006	26/10/06	4.1	Ofgem's Proposed RbD Issues Log - JM to contact Ofgem and enquire as to the status of the proposed issues log.	Joint Office (JM)	Action: Complete
Dis1101	23/11/06	2.1	GW to provide the JO with an amended Proposal 0115.	BGT (GW)	Action: Complete
Dis1102	23/11/06	2.1	GW to advice of planned meetings to discuss Proposal 0115 offline.	BGT (GW)	Action: Pending
Dis1103	23/11/06	2.2	GW to provide the JO with an amended Proposal 0124.	BGT (GW)	Action: Complete
Dis1104	23/11/06	3.2	Ofgem to consider facilitating a meeting with the AiGT, Transporters and Shippers to assist with the CSEP NExA issue resolution	Ofgem (JB/NR)	Action: Pending
Dis1105	23/11/06	3.4	LDZ RbD Reconciliation Notification Process, Review Proposal to be raised for the December Modification Panel Meeting.	EDF Energy (SL)	Action: Complete
Dis1106	23/11/06	3.4	All to review Topic Discussion Paper on Mod Review Process 643 – LDZ RbD Reconciliation Notification Process and submit comments to: Stefan.Leedham@edfenergy.com	All	Action: Complete
Dis1107	23/11/06	4.1	xoserve to request authorisation from National Grid to facilitate the publication of missing site data identified within Project Delta.	xoserve (SB)	Action: Pending

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0101	25/01/07	3.5.2	All to review USRV Incentives and consider other options for discussion at February's Distribution Workstream Meeting.	All	Action: Pending
Dis0102	25/01/07	3.5.3	All to consider the Meter Replacement issue and possible solutions for discussion at February's Distribution Workstream Meeting.	All	Action: Pending
Dis0103	25/01/07	4.1	All to consider the implementation timescales for Modification Proposals 0094 and 0095 and provide a view no later than 16 February 2007.	All	Action: Pending
Dis0104	25/01/07	4.1	Action 0104: JM to issue a community email seeking views on the implementation timescales for Modification Proposals 0094 and 0095.	Joint Office (JM)	Action: Complete