

## Distribution Workstream Minutes

Thursday 25 May 2006

350 Euston Road, London

### 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
Cher Harris	CH	SSE
Chris Warner	CW	National Grid UK Distribution
Claire Rozyn	CR	Ofgem
Gareth Evans	GE	Total Gas & Power
James Crosland	JC	Corona Energy
John Pereira	JP	National Grid UK Distribution
Jon Dixon	JD	Ofgem
Mick Curtis	MC	E=MC <sup>2</sup>
Richard Pomroy (telephone)	RP	Wales and West Utilities
Marie Clark	MCI	Scottish Power
Simon Howe	SH	RWE Npower
Steve Nunnington	SN	xoserve

### 1. Status Review

#### 1.1. Minutes from April Distribution Workstream

Comments received:-

Amendment to Minute Ref 4.1 CW confirmed that modification of the UNC is planned to remove relevant provisions governing the provision of the Supply Point Information Service by Transporters, originally established by Network Code Modification 0717. The purpose of this is to avoid dual governance in the event that National Grid's proposals associated with the SCOGES initiative are implemented to the SPAA. CW advised that a draft would be tabled at the next meeting.

Minutes approved.

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

Dis0905 JD confirmed that Ofgem are not in a position to issue a view, however they recently obtained some further information which needs to be analysed and are corresponding with Total. Ofgem are aware that the action has been outstanding for some time and will respond in due course. Action Carried Forward.

Dis0401 JP confirmed that National Grid's approach is very similar to that of WWU (as outlined in April's Distribution Workstream Meeting) where a letter is issued to Shippers, providing an indication of minimum pressure at a particular Supply Point.

MC questioned if this forms part of the GT process, JP confirmed it may become so in the future.

SH questioned if there would be a guarantee. JP confirmed that a guarantee cannot be provided, only an indication of the minimum pressure.

MC questioned if an Ancillary Agreement would be offered with the details of the minimum pressure. JP confirmed that under the UNC any Ancillary Agreement will still not guarantee pressure, however National Grid will negotiate an Ancillary Agreement if requested. JP re-iterated that the Ancillary Agreement will not guarantee anything more than the minimal pressure.

MC confirmed he understood that in exceptional circumstances it is not possible to guarantee a certain pressure but thought that under normal operating conditions this could be supplied

CW questioned RP if WWU would enter into a discussion regarding the possibility of metering and negotiate a guaranteed pressure.

RP confirmed there would be problems with guaranteeing a pressure even with systems to monitor it. However, WWU would confirm an available pressure under normal operating conditions. RP confirmed WWU had been examining this issue but are currently only in a position to supply a letter and not an Ancillary Agreement.

SH questioned the difference between a letter and an Ancillary Agreement. MC suggested that there is very little difference in practice.

Action Closed.

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

JM reviewed the current Distribution Modification Proposals and Topic Status Report. (see attached)

## **2. Modification Proposals**

None

## **3. Topics**

### **3.1. 014Dis CSEP NExA Agreements**

CW provided an update to the Workstream, confirming that National Grid is very supportive of the CSEP NExA Modification Proposals. He also confirmed that National Grid had written to all the iDNs requesting their support for the removal of the Annex A provisions, however one iDN has not yet been able to provide an indication of support to the approach of removing these provisions.

RP agreed that this approach is sensible and that WWU will be writing to the iGTs separately. CW confirmed SGN are still considering and he will contact them again.

CW also reported that National Grid have drafted a letter to be sent to the iGTs seeking changes to the NexA, however he anticipates their response to be unsupportive of changing the NExA.

JD confirmed that Ofgem do not have any jurisdiction over NExA agreements. He also confirmed that any decision on the Modification Proposal will be made regarding its own merits. What may or may not be in the NExA will not prevent that decision, as the iGTs have the ability to change the NExA .

MCI questioned if National Grid and the iDNs would want to be aware of downstream connections.

SN confirmed that this is a contractual issue for the iGT. If a downstream connection affected the cumulative AQ an SPA trigger would start rejecting nominations.

MC requested clarification if Transporters are interested in all offtake connections downstream. SN confirmed that the obligation is on the lead iGT, to account for gas offtaken.

CW suggested a modification proposal may need to be considered for this particular concern.

**Action Dis0501:** CW will investigate what is in the NExA in regard to downstream offtakes and report back at the next Workstream.

### **3.2. 009Dis: Sunset Provision 12 July 2006 – Modification 0704**

CW updated the Workstream that the proposed MAMCoP amendments have been approved in principle.

CW confirmed that the HSE have taken away the issue and that the HSE will be approaching Ofgem with regards to Industry Legislation.

He also confirmed that there will be a gap in arrangements post 12 July and is keen to get the issue resolved.

### **3.3. Any new topics**

#### **3.3.1. AMR DM Sites enabled**

GE raised a new topic relating to the Extension of DM service to enable Consumer Demand Side Management (see attached presentation).

GE suggested that a Modification Proposal could allow Shippers to nominate sites that are below 2 million therms per annum (possibly down to 25,000 tpa) to be DM sites and managed through MAMs.

RP would there be any impact on liabilities questioned if a site is nominated as DM. CW confirmed it would appear that there would then be third category of DM sites, however it was too early to understand possible liability impacts.

SH questioned if there was a possible quick fix, whereby meter reads could be uploaded to daily instead of at seven days, MC confirmed that system limits/constraints would be exceeded.

MC stated that DM sites are protected against isolation and questioned if these Shipper Nominated DM sites would also be included and would therefore reduce emergency safety volumes.

SH questioned if there was a danger in a Shipper taking responsibility for “pseudo daily meter reads”, and if this would drive further pressure to accept more responsibilities.

CW confirmed that he saw merit in the proposal, however he believed a sub-group/Development Workgroup would need to be formed to go through the detail and work on a possible regime. CW stated that DMs are currently a bundled activity, and the proposal would potentially split this activity. The proposal would need some detailed Business Rules to

allow differentiation. CW confirmed DM sites currently have extensive read validation to provide reassurance of accurate reads.

GE suggested forming a Review Group.

JD questioned if xoserve are able to provide any indication of future system constraints for this area of work. SN confirmed that xoserve needed to fully understand potential impacts before providing any system capabilities and that a phased approach for such provisions would be preferable.

**Action Dis0502:** GE to raise a Proposal for the June Modification Panel Meeting.

### **3.3.2. Threshold Crossers**

GE raised a new Topic relating to Threshold Crossers (see attached presentation).

GE proposed a UNC Modification Proposal to remove ambiguity.

A discussion was held on the potential timelines and the acceptance of AQ revisions and deadlines.

SN stated that Shippers do not need to wait until October to submit AQs. However GE confirmed that it is preferable to use recent winter meter reads rather than relying on winter reads that would be a year old, hence AQs are not submitted until late in the review process.

MC stated that the more accurate the AQ the more beneficial the impact that this would have on RbD.

**Action Dis0503:** GE to raise a Modification Proposal for the June Modification Panel Meeting.

### **3.3.3. Termination of Dormant Shipper Licences**

GE raised a new Topic relating to Termination of dormant Shipper Licences, referring to Modification Proposal 0633 "Cessation of Invoicing for Terminal and Discontinued Users"

GE confirmed that Total have 3 Licences, one of which has no sites associated with it. GE stated that it would be preferable to be able to voluntarily terminate dormant Shipper Licences.

A discussion was held on the potential of discontinuing a Licence where there were no longer any sites associated with it and the possibility of using an active Shipper Licence to act on behalf of the dormant Shipper Licence, thereby taking over the legacy responsibilities caused by any ongoing reconciliation.

CW suggested that GE documents and circulates his suggestion for the possible treatment of dormant Licences.

The topic was accepted as Medium Priority by the Workstream.

**Action Dis0504:** GE to provide further information on the possible treatment of dormant Licences.

**3.3.4. SCOGES**

CW reported that a UNC Modification Proposal had been drafted to remove the provisions governing the Supply Point Information Service, originally established by Network Code Modification 0717 and presented the draft entitled "Single Centralised On-line Gas Enquiry Service – removal of redundant UNC provisions" to the Workstream.

CW suggested that as the provisions will be transferring to SPAA, they do not need to be in the UNC. He confirmed that the Modification Proposal would only be implemented once the provisions had been inserted in the SPAA.

MC expressed concern about access to MPRNs, and the SPAA becoming the primary governance of SPA data.

GE expressed concerned as to why the UNC provisions actually need to be removed, if SPAA changed the provision then the current Supply Point Information Service Guidelines could be amended by the Transporters to reflect that change in service.

GE noted that Shippers cannot amend the Supply Point Information Service Provision and failed to see how there would be a dual governance problem.

MC questioned the governance relationship between SPAA and Transporters.

JD noted that, if approved, SCOGES would provide a single common service to all GTs, including iGTs. However the UNC does not apply to iGTs, therefore it would not be appropriate for the governance to be under the UNC.

**Action Dis0505:** CW to submit Modification Proposal "Single Centralised On-line Gas Enquiry Service – Removal of redundant UNC provisions" to the Joint Office for the June Modification Panel.

**3.3.5. Erroneous AQs, An alternative to the BTU form**

SH raised a potential new topic relating to Erroneous AQs (see attached presentation).

SH highlighted that capacity charges would not be recovered, but only commodity charges, where an erroneous AQ has been allocated against a domestic site. He suggested an alternative to the BTU form (which most customers would not be able to competently complete) could be the NExA Table property guide for domestic properties.

However this would only be used when it is believed an erroneous AQ has been assigned above a suggested threshold of 100,000 KWh.

AT confirmed that domestic AQs are not re-calculated within the AQ Review Process.

MC questioned if the BTU form can actually be used to downgrade sites within the domestic market.

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AT expressed concern that this was a 'one direction' solution and queried what impact this could have on RbD if the site was downgraded too low.

It was discussed whether such sites ought to be downgraded as a standard to 73,201 KWhs, which would avoid other Shippers picking up RbD allocations.

MCI questioned if previous supplier readings could be used to appeal the AQ.

**Action Dis0506:** SH to raise a Modification Proposal.

#### 4. AOB

None raised

#### 5. Diary Planning for Workstream

Next Meetings:

Thursday 22 June 2006, 10:00 at Elexon, 350 Euston Road, London

Thursday 27 July 2006, 10:00 at Novotel, Birmingham International Airport

Thursday 24 August 2006, 10:00 at Elexon, 350 Euston Road, London

Thursday 28 September 2006, 10:00 at Elexon, 350 Euston Road, London

Thursday 26 October 2006, 10:00 at Novotel, Birmingham International Airport

Thursday 23 November 2006, 10:00 at Elexon, 350 Euston Road, London.

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### Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0905	22/09/05	3.1	BS, Ofgem to provide view of Prime and Sub-deduct Network ownership and Network Licence Conditions.	Ofgem (BS)	Action: C/F 23.03.06: Ofgem not able to provide view at present.
Dis0401	27/04/06	1.3	MP: 0005(0726). CW to examine current UNC provisions and co-ordinate a response providing a summary on current procedures and obligations to the next meeting.	National Grid (CW)	Action: Pending
Dis0501	25/05/06	3.1	CW will investigate what is in the NExA in regard to downstream offtakes and report back at the next Workstream	National Grid (CW)	Action: Pending
Dis0502	25/05/06	3.3.1	GE to raise a Proposal relating to Extension of DM service for the June Modification Panel Meeting.	Total (GE)	Action: Pending
Dis0503	25/05/06	3.3.2	GE to raise a Proposal relating to Threshold Crossers for the June Modification Panel Meeting.	Total (GE)	Action: Pending
Dis0504	25/05/06	3.3.3	GE to provided further information on the possible treatment of dormant Licences.	Total (GE)	Action: Pending
Dis0505	25/05/06	3.3.4	CW to submit Modification Proposal "Single Centralised On-line Gas Enquiry Service – Removal of redundant UNC provisions" to the Joint Office for the June Modification Panel.	National Grid (CW)	Action: Complete
Dis0506	25/05/06	3.3.5	SH to raise a Proposal relating to Erroneous AQs	25/05/06	Action: Pending