

**Distribution Workstream Minutes**  
**Thursday 25 October 2007**  
**Novotel, Birmingham International Airport**

**Attendees**

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Tim Davis	TD	Joint Office of Gas Transporters
Andy Miller	AM	Xoserve
Chris Hill	CH	RWE npower
Chris Warner	CW	National Grid Distribution
Erika Melen	EM	EON
Fiona Cottam	FC	Xoserve
James Crosland	JC	Corona Energy
Joel Martin	JMa	Scotia Gas Networks
Jon Dixon	JD	Ofgem
Marie Clarke	MCI	Scottish Power
Mark Jones	MJ	SSE
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
Robert Cameron Higgs	RCH	Northern Gas Networks
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy

**1.0 Introduction and Status Review**

**1.1. Minutes from September Distribution Workstream**

It was noted that BG was incorrectly recorded as being present at the previous meeting, and the Minutes were then approved.

**1.2. Review of Actions from previous meetings**

**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.

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

**Action Update:** See Agenda item 2.1

**Action:** Carried forward.

**Action Dis1002:** SN to investigate what xoserve currently report and the level of detail contained within this report

**Action Update:** AM said a monthly report is provided to the owning Shippers, showing "dead" meter point status. ST indicated that this had previously been provided to Shippers that had asked for the report, but was now sent to all Shippers.

**Action:** Complete.

**Action Dis1003:** E.ON to raise Review Proposal “Review of NDM Profile Allocation Parameters” in time for October’s Panel meeting.

**Action Update:** UNC RP0176 “Review of NDM Profile Allocation Parameters” raised and sent for Review.

**Action:** Complete.

**Action Dis1004:** xoserve to confirm the UK Link rewrite timetable.

**Action Update:** FC indicated that Ofgem’s PCR proposals are based on a like for like replacement in 2012. xoserve are planning to start an industry consultation around April 2008 to gauge views on the appropriate requirements. No firm schedule has been established, but it is anticipated that this initial consultation phase will continue until Easter 2009, which FC believed would provide ample time for Shippers to set out their requirements and expectations.

**Action:** Complete.

**Action Dis1005:** E.ON to raise Review Proposal “Reclassification of SSP to Domestic only”.

**Action Update:** UNC RP0178 “Reclassification of SSP to Domestic only” raised and sent for Review.

**Action:** Complete.

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

JM reviewed the Live Modification Proposals. NN provided an update on the Modification Proposals with Ofgem for a decision.

JM reviewed the Topics Log, all of which were on the agenda or on hold. ST asked if a new topic could be created on User Pays – Ofgem’s proposal for a new way to fund some xoserve services.

NN suggested that a topic be created on the RbD Issues log such that it might be reviewed each month.

## 2.0 Modification Proposals

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

CH explained the changes he had made to the Proposal in light of comments received. CW expressed concern about the detail and practicalities, as opposed to the principle, associated with the Proposal. He suggested that additional work to define the requirements would be valuable prior to completing a Workstream Report. His concerns were about confidentiality of information and the clarity of the information received by the DNs, which was not always clear. ST supported this, explaining that notices can be received well in advance of demolition. CH emphasised that the intent of the Proposal was only to deal with notice post-definition, which ST said was the problem because the notices referred to in the Proposal were prior to demolition which, in some cases, may never happen.

CW was also concerned that implementation of the Proposal could create unintended incentives for Shippers and Suppliers not to manage and notify physical disconnection. Supported by MC and MD, CH argued that the Proposal was necessary to provide information to Shippers where the DNs were aware of demolition but Shippers were not. ST and CW were unclear

why this might arise, although the Proposal could be seen as a backstop – not the norm.

MCI asked if notifications were unclear, when was clarity sought? CW said that he was looking into this, but the work was incomplete. It was because of the practicalities of issues like this that he felt the Proposal needed more consideration and development.

CH emphasised that there could still be cases where Transporters were aware of demolition and Shippers were not, which CW accepted. AM ran through some scenarios and was not clear that additional cases would be notified if the Proposal were to be implemented.

MC asked if the Proposal included the wrong trigger and that it should be Transporter disconnection? CW accepted that this would be less ambiguous, but this was not necessarily appropriate as other parties may carry out the physical disconnection and so the trigger would not provide the required coverage.

CH agreed to take the points raised on board. RWE's concern was to receive the additional information rather than the detail as to how this was best achieved. CW said that it was important to get the detail right to ensure that cost effective processes could be implemented and appropriate legal text developed. He offered to bring an expert to the following meeting to provide additional information on how processes operate in reality.

ST emphasised that he believed that the information which CH was seeking was already being provided and the Proposal may not deliver what CH hoped for. CH clarified that the present reporting was not mandatory under the UNC. AM suggested that it may be appropriate for this service to fall under User Pays in future, with reports provided to those willing to pay for them.

CH accepted that some further development and discussion may be valuable and asked that if the DNs had concerns it would be helpful if they could be available to deal with this ahead of the next meeting so that progress could be made. FC said it would be helpful if CH could provide some real examples since that would help to demonstrate where gaps existed and how they might be addressed.

### **3.0 Topics**

#### **3.1. 014Dis, CSEP NExA agreements**

CW provided an update from recent meetings regarding the CSEP NExA. A good deal of progress was being made, but it was recognised that there were discrepancies when the detail was looked at, for example with different GTs interpreting some NExA terms differently. The Transporters were discussing this and hoped to be able to move issues forward at the next Review Group 0157 meeting. PB asked about the obligations for DM reads on iGTs, which CW believed were broadly the same in the UNC and iGT UNC. While rare, this was an area that was being discussed by the Transporters and he was optimistic about the way forward.

MCI remained concerned that the discrepancies were if anything getting larger and she wanted to see some impetus for the issue being cleared. She was also concerned about clearing up the historic position, which was beyond the scope of 0157. ST and CW thought this could be included within the Ofgem meeting running in tandem with the 0157 process. ST suggested that iGT shrinkage was also relevant, as discussed when raised by MCI at the iGT UNC Panel. MCI said she was considering raising both UNC and iGT UNC Proposals to address iGT shrinkage issues. JD said that Ofgem was awaiting

a paper from the AiGT on shrinkage, which becomes more material as the number of iGT connections increases.

ST reported that the iGTs at their Modification Panel had argued that a number of existing joint Review Groups were not needed – the issues would be covered under the UNC process and any iGT specific issues could be considered separately. JD emphasised that Ofgem saw benefit in things moving forward in harmony.

MCI asked the DNs how they saw iGT related services fitting with User Pays since she believed that Shippers had been paying for services for a long time but were not receiving the required level of service. How would the service be brought up to standard and be made to work as it should? AM said that initially, only six service lines would be covered by User Pays and not any services under the CSEP NExA. CW said the contractual requirements and obligations were in place, and what was needed was a determination to make them work. The groups which had been established were proving effective in making progress and he was hopeful that improvements would be seen as a common understanding was reached about the detail.

JD suggested that having an agreement between the iGTs and DNs – the NExA – was appropriate, but that Annex A may be a different case and may benefit from different governance. However, root and branch reform was not clearly justified at this stage.

### **3.2. Any New Topics**

#### **3.2.1. User Pays**

AM provided an overview of the work being taken forward to create a User Pays framework for some xoserve services. Presentations and further information is available on the JO website ([www.gasgovernance.com/industryinfo/xoserveGroup](http://www.gasgovernance.com/industryinfo/xoserveGroup)).

SL asked if the conclusion had been reached that six service lines should be subject to User Pays. AM said that this had now been concluded and Ofgem had removed the revenue from the DNs. JD said that those six were being worked on for implementation for April 2008, but that the bigger picture was creating flexibility in other areas. However, while the price control proposals were open for consultation JD would be surprised if the final proposals were changed in this respect.

#### **3.2.2. RbD Issues Log**

NN requested that the workstream review and provide any feedback on the RbD issues log which is on the Ofgem website.

<http://www.ofgem.gov.uk/LICENSING/INDCODES/GOVERNANCE/Documents1/Issues%20Log%20doc%20OCT%20final.pdf>

## **4.0 AOB**

### **4.1. South Wales Offtake Errors**

ST provided a presentation on the latest position regarding the three offtake meter errors identified within the WWU area. The figures are provisional at this stage and hence the presentation will not be published.

ST explained that checks were being made to see if errors identified were repeated elsewhere, and PB asked if this meant other errors might be forthcoming. ST was hopeful that the errors were a one-off.

SL asked about the probability of the reconciliation occurring after 1 April 2008, when 0152V is due to be implemented. ST said that this was dependent on progress under the existing 0643 process, but that WWU would be looking to progress the reconciliation as quickly as possible in line with the existing requirements.

PB asked whether any of the other DNs were aware of any emerging meter errors. On behalf of each DN, RCH, CW and JMa confirmed that they were not aware of any emerging errors.

SL asked if the meter assurance programme was more robust than prior to network sales. ST was unable to comment, but did not believe there had been a particular increase in the number of meter errors.

#### **4.2. Implementation of Modification Proposal 0152V**

FC presented on behalf of the Transporters to address some practical issues about the implications of implementing Modification Proposal 0152V on 1 April 2008.

PB noted that this suggested the date of the invoice is key rather than the date a query was raised, which he had confirmed with the Proposer was not the intent of the Proposal. FC said that the business rule to provide this hard cutover was in the Final Modification Report and so had been followed. PB asked if there was a rush of queries ahead of April, would xoserve be able to continue to meet the standards? FC felt this depended on the scale of any such rush, and would welcome an early indication if Shippers felt this was likely to occur. At present, FC believes xoserve is on top of queries and is dealing them in a timely manner and saw no reason why this would change.

SL asked about whether the cut-off related to real time or to when the reconciliation invoice was issued. FC said that the calculations depended on the processing date. It was confirmed in response to MD that this would also apply to any meter errors.

JC asked if there was a re-reconciliation following a query, would the full interest be received? FC said that only amounts in respect of the period after the cut-off date would be included in the calculations. Effectively all that xoserve would be doing is advancing the cut-off date from April 1998 and dealing with adjustments as they would now if any pre-1998 errors emerged.

MD asked what would happen if a whole USRV timed out. FC said the position would remain unchanged – you would be left where you were. MD asked if the liquidated damages charge would also fall away, and FC indicated it would at the point it timed out and no new charges would be incurred.

More details will be provided at the Billing Operations Forum, and questions can be sent to [css.billing@xoserve.com](mailto:css.billing@xoserve.com)

#### **4.3. UK Link Technology Refresh and Non-Effective Days**

AM explained that regular updates are provided to the UK Link committee, with presentation material available on the JO website ([www.gasgovernance.com/Code/UNCCSubCommittees/UKLinkCommittee/2007Meetings](http://www.gasgovernance.com/Code/UNCCSubCommittees/UKLinkCommittee/2007Meetings)). The outage period should not have a great impact on Shippers. Data can still be submitted, but will be held awaiting processing at a later date – in much the same way that occurs each weekend.

SL asked whether weekends were non-effective as opposed to non-business days. ST said that this would be clarified in the Proposal and associated legal text.

SL asked why four days relief was needed for DM read liabilities but only two non-effective days were being sought. AM said this was because the 11:00 DM deadline would not be met on the Sunday or Wednesday, despite not needing to seek these as being non-effective days.

PB asked what would happen if the system did not come back after the refresh and how liabilities would be impacted. ST said that the dates will be defined in the Proposal and will not be automatically extended while the system is unavailable.

### **5.0 Diary Planning for Workstream**

It was agreed that an additional meeting should be arranged between November and January, with the JO to find suitable dates.

Next Meetings:

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)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
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: Closed
Dis1001	27/09/07	2.1	CH to review Modification Proposal 0172 in light of feedback.	RWE (CH)	Action: Pending
Dis1002	27/09/07	2.1	SN to investigate what xoserve currently report and the level of detail contained within this report.	xoserve (SN)	Action: Closed
Dis1003	27/09/07	3.5.1	E.ON to raise Review Proposal "Review of NDM Profile Allocation Parameters" in time for October's Panel Meeting.	E.ON (SaB)	Action: Closed
Dis1004	27/09/07	3.5.2	xoserve to confirm the UK Link rewrite timetable.	xoserve (SN)	Action: Closed
Dis1005	27/09/07	3.5.3	E.ON to raise Review Proposal "Reclassification of SSP to Domestic only".	E.ON (SaB)	Action: Closed