

Distribution Workstream Minutes
Thursday 26 July 2007
Elxon, 350 Euston Road, London

Attendees

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	LD	Joint Office of Gas Transporters
Andrew Margan	AM	BGT
Bali Dohel	BD	Scotia Gas Networks
Chris Hill*	CH	RWE npower
Jon Dixon	JD	Ofgem
Karen Kennedy	KK	Scottish Power
Linda Whitcroft	LW	xoserve
Lorraine Goodall	LG	Scotia Gas Networks
Mark Jones	MJ	SSE
Mick Curtis	MC	E=MC ²
Ndidi Njoku	NN	Ofgem
Nick Wye	NW	Waters Wye Associates Ltd
Phil Broom	PB	Gaz de France
Phil Lucas	PL	National Grid Distribution
Richard Street	RS	Statoil
Rob Cameron-Higgs	RCH	Northern Gas Networks
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy
Steve Nunnington	SN	xoserve
Tim Davis	TD	Joint Office of Gas Transporters
Vickey King	VK	National Grid

Apologies

Marie Clarke	MCI	Scottish Power
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* by teleconference

1.0 Introduction and Status Review

1.1. Minutes from June Distribution Workstream

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: PB confirmed that this has been raised at the Shipper I&C Code of Practice Meeting and it appeared awareness could be improved. PB would be pursuing this within this I&C group and will report back to the 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 still not available pending National Grid's Lawyers undertaking a review. **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: DNs to provide details. **Action: Carried forward**

Action Dis0601: All to consider Modification Proposal 0155 and provide views for further discussion at July's Distribution Workstream Meeting.

Action Update: This Proposal has now been withdrawn and considerations will be taken forward as part of the Review Group 0158 process. **Action: Closed**

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

Action Update: RWE asked for this to be carried forward. **Action: Carried forward**

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: For discussion at this meeting - see agenda item under Topic 023Dis (3.5 below). ST to provide update at August Workstream. **Action: Carried forward**

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 said that decisions on Modification Proposals 0088 and 0104 were due shortly. To meet the target for implementation in April 2008, NN emphasised that the Final Modification Report for Proposal 0152 needs to be with Ofgem by mid August such that a decision can be made in September.

2.0 Modification Proposals

2.1. Proposal 0160: "Provision of Cost Information "

CH outlined the Proposal and its intentions. ST indicated that further discussion would be helpful in understanding and developing the Proposal, and suggested it should be considered on 13 August 2007 when DCMF is due to meet. LG asked if RWE could explain what they would do with the information provided – if the DNs understand what RWE is attempting to do, they would see what they could do to help since they did not believe the information provided would be useful. PB said that, at a high level, Shippers had seen volatility and changes which had not been predicted, and were looking to obtain cost details which could be included in their models and improve forecasting accuracy. It was agreed that a clear understanding of the intention would be important in developing the Proposal and ensuring the data provided was relevant. CH agreed to ask Dennis Timmins to provide clarification in advance of the DCMF meeting.

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

JM said that the JO intended that discussion of this Modification Proposal be held on 13 August 2007, when DCMF is scheduled to meet, and that the first

meeting of Review Group 0162 should meet on the same day given the commonality of attendance. Similarly it was proposed that Review Group 0157 would meet on 01 August 2007 at Ofgem's offices, following the CSEP NExa meeting. The other Review Group 0158 on USRVs would meet separately, and could usefully coincide with the Billing Operations Forum. These proposals were agreed and the JO would issue details as soon as available.

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

3.0 Topics

3.1. 014Dis, CSEP NExA agreements

JD said that, at the Ofgem iGT Workgroup meeting, there was broad support for SN's proposals for resolving the reconciliation backlog. SN then ran through his presentation and invited comments.

SL asked if iGTs were complying with the NExA requirements. SN said it was unclear if this was the case or alternatively that meter readings were not being received from Shippers.

MC asked if the UNC or systems would need modifying if it were agreed that reconciliations could proceed despite earlier periods remaining unreconciled. SN suggested there would be systems issues which xoserve would be able to handle, but he did not believe that UNC modification was necessary.

PB asked about the incentive for iGTs – with transportation charges levied by iGTs on a commodity basis, would they not have an incentive? It was confirmed that almost all iGT revenue was capacity based and hence they had argued that there was no significant incentive.

NW asked how the reconciliation would work and be attributed to Shippers over a ten year period. SN indicated that all the reconciliations would be net zero, and confirmed that to date the iGTs had not indicated that they would not be able to undertake the proposed way forward, for example because they do not hold the necessary data.

SL asked if Ofgem were taking any action given the issues which seemed to keep being raised about iGT performance. JD confirmed that iGT performance was being kept under review and that Ofgem were supporting steps to deal with historic issues. PB asked if stronger incentives were necessary, and JD said that the situation was as elsewhere, with different drivers for different aspects of performance. If Shippers had specific concerns, raising iGT UNC Modification Proposals was a potential way forward.

RS asked, given that only two LMN reconciliations were carried out in the 12 months to May 2007, how many more would have occurred if the previous missing periods had been cleared. SN said this was unknown – the iGTs may not seek to process reconciliations if they know that earlier missing periods mean they will be rejected.

MC said this could potentially involve about 100,000 reconciliations and asked how the workload would be profiled, and SN said a 'big bang' approach was not proposed and the details would need to be discussed with all involved. KK asked about appropriate checks and balances if ignoring earlier unreconciled periods was implemented. SN acknowledged that this needed to be monitored but that this was primarily an issue for the iGTs to manage.

RS raised 0152 and the potential movement of the cut-off date for billing. SN and ST said that the earlier conclusions had been that progress should continue notwithstanding 0152 which, as yet, was undecided.

3.2. 018Dis, Charging for reconciliation quantities.

In the Proposer's absence, this was carried forward.

3.3. 021Dis, Individual Meter Point Reconciliation

MJ's Review Proposal had been withdrawn and he explained that a more generic Proposal may be appropriate looking at this as part of a wider review of xoserve processes in light of the UK Link rewrite.

3.4. 022Dis, LDZ Boundary and MPRN mismatch

ST suggested that the topic be closed. WWU would raise a Modification Proposal if and when necessary to implement the changes, and that he did not anticipate bringing any issues to the Workstream prior to that Proposal being raised. It was agreed that the topic be placed on hold.

3.5. 023Dis, Small Value Invoices

ST provided a brief update on WWU's considerations, including the need for systems changes. SL said their concern would be in ensuring each Shipper remained neutral. ST said that the biggest aggregate Shipper change they had identified was £300.

3.6. Any New Topics

None.

4.0 AOB

4.1. Update from iGT Modification Panel

ST summarised the previous Panel meeting and said that, as Large Transporter Representative, he would be happy to take questions. It was agreed that this should remain as a standing item on the agenda for future Workstream meetings.

4.2. Payment History Unsecured Credit and User Inactivity

VK presented on behalf of National Grid and invited comment. RS asked how many Shippers were using the facility, and VK said she had been approached by two.

5.0 Diary Planning for Workstream

Next Meetings:

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

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
Dis0601	28/06/07	2.2	All to consider Modification Proposal 0155 and provide views for further discussion at July's Distribution Workstream Meeting.	All	Modification Proposal has been withdrawn. Action: Closed
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: Carried forward
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: Carried forward
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: Pending
Dis0702	27/07/07	2.1	JO to issue details of the various Review Group meetings (dates, times and venues).	JO (JM)	Action: Pending