

Distribution Workstream Minutes
Thursday 27 March 2008
Elxon, 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
Alison Chamberlain	AC	National Grid Distribution
Bali Dohel	BDo	Scotia Gas Networks
Brian Durber	BDu	E.ON UK
Chris Hill	CH	RWE Npower
Clare Temperley	CT	Gemserv
Erika Melen	EM	E.ON UK
Fiona Cottam	FC	Xoserve
Jon Dixon	JD	Ofgem
Linda Whitcroft	LW	Xoserve
Mark Jones	MJ	SSE
Mick Curtis	MC	E=MC ²
Brendan Cooper	BC	Gaz de France
Mitch Donnelly	MD	British Gas
Nick Wye	NW	Waterswye
Phil Broom	PB	Gaz de France
Phil Lucas	PL	National Grid Distribution
Richard Dutton	RD	Total Gas and Power
Richard Street	RS	Corona Energy
Rob Cameron-Higgs	RCH	Northern Gas Networks
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy

Apologies

Chris Warner	CW	National Grid Distribution
Marie Clark	MCI	Scottish Power

1.0 Introduction and Status Review

1.1. Minutes from February Workstream

Minutes were approved.

1.2. Review of Actions from previous meetings

Action 1202: All Transporters to consider solutions for updating Emergency Contact Information.

Action Update: JM confirmed that all Transporters are producing the information and that the JGAC will be considering the publication of Contact Information on the Joint Office Website. See item 3.5 Topic 028Dis.

Action Complete

Action 0102: All interested parties to consider the Maintenance of Best Practice Guidelines for gas and electricity network operator credit cover and provide any views or suggestions direct to Wales & West Utilities (SD or ST).

Action Update: ST confirmed some comments have been received, but others are expected. As this is a live Topic, the action can be closed.

Action Complete

Action 0201: All to consider the suggested 50% threshold for cost recovery.
Action Update: MD confirmed that British Gas intends to amend UNC 0197. Views were still welcomed. **Action Carried Forward.**

Action 0202: CW to confirm if late payments can be deferred.
Action Update: PL presentation See item 2.4 UNC0201. **Action Complete.**

Action 0203: All to provide MD with comments via email regarding UNC 0201.
Action Update: MD confirmed comments had been received on the Proposal, however none related to which types of invoice could be considered. See item 2.4 UNC0201. **Action Complete.**

Action 0204: All to further consider the appropriate Shipper resolution window for USRVs
Action Update: RS and MD supported a 30 month window. ST and BDo preferred 18-24 months. See item 2.1 UNC 0192. **Action Complete.**

Action 0205: Joint Office to produce Workstream Report for UNC0196 for the March Panel Meeting.
Action Update: JM reported that the Workstream Report was considered at the March Panel Meeting, UNC0196 had now been issued for consultation. **Action Complete.**

Action 0206: MD to amend Proposal and the Joint Office to create a Workstream Report for UNC0199 for the March Panel Meeting.
Action Update: MD confirmed that he had been in discussions with National Grid and that an amended Proposal will be provided to the Joint Office. **Action Carried Forward.**

Action 0207: Transporters to provide feedback to the draft Proposal in time for it to be submitted to the March Panel Meeting on 12 March 2008.
Action Update: See item 2.6, ST provided a presentation in response to the draft Modification Proposal "Re-alignment of Failure to Interrupt Charges".
Action Complete

1.3. Review of Live Modification Proposals and Topics Log

See items 2.0 and 3.0.

2.0 Modification Proposals

2.1. Proposal 0192: "Introduction of DNO obligations to facilitate resolution of unresolved USRVs"

The Workstream Report was considered and the following areas included within the report:

LW and FC confirmed minor capital costs and some increase in operating costs would be incurred by xoserve. LW confirmed some system changes would also be required, new codes/reports would be required within conquest to ensure liabilities are not levied. LW also confirmed that an invoice change would also be required, to enable an additional charge type. ST confirmed that there is an element of operating cost recovery through User Pays.

MD suggested that risks would be reduced as assistance with USRV resolution would ensure the regimes integrity. A debate occurred whether the

contractual risk would be reduced and if implementation would promote efficiency in the administration of the UNC.

The change to the ACS was discussed; ST confirmed that there is no formal consultation on changes to the ACS. The charging methodology was discussed, AT expressed concern that the charging methodology has flaws, however ST pointed out that the flaws exist now. ST confirmed that the service costs would be cost reflective.

A debate occurred on the ability to provide a cost assessment. JD explained that Ofgem had envisaged cost assessments being considered within the UNC Modification process in the very near future to ensure new services are not implemented without cost consideration. He was concerned that considering costs through ACS may result in unwanted services due to high costs being established after a Modification Proposal is implemented.

Whilst considering the advantages, FC highlighted that the Proposal would potentially reduce the amount of money being collected by the incentive regime and therefore reduce the RbD smear.

The Workstream discussed the period allowed for Shipper resolution of USRVs and how this should be captured within the Workstream Report. It was agreed that the Modification Proposal should be amended. JM noted the required amendment. Although Shippers expressed a preference of 30 months and Transporters preferred a 24 month period it was agreed that a 30 month period would be set.

A number of amendments were suggested to the Proposal which were captured within the Nature of the Proposal within the Workstream Report and the consensus was that the Proposal was sufficiently developed to proceed to consultation.

2.2. Proposal 0197: “Increasing User Incentives for the Investigation and Detection of Theft through the Reasonable Endeavours Regime”

As the Proposal will be amended the Workstream deferred the Agenda item until next month.

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

As the Proposal will be amended the Workstream deferred the Agenda item until next month.

2.4. Proposal 0201: “Small value invoice payment deferral”

PL provided a presentation on Small Value Invoices, providing National Grid's view. Within the presentation National Grid provided an illustration which highlighted the opportunities which already exist to co-ordinate ad-hoc invoice payments with main invoice payments.

The Workstream considered and produced the Workstream Report and recommended that Legal Text should be provided.

MD clarified that the intention of the Modification Proposal was originally to include non energy related Ad-hoc invoices. It was agreed that the DN who would provide Legal Text would liaise with British Gas to ensure that the Text meets the intent of the Proposal.

2.5. Proposal 0202: “Improvement to More Frequent Reading Provisions to allow benefits of AMR”

PL provided a presentation

The Workstream discussed AMR developments, particularly the use of reads for AQ calculations,

RS confirmed that he intends to amend the Proposal having considered the solution put forward by xoserve.

2.6. Proposal 0205: “Interruptible Capacity Charges”

ST provided a presentation in response to Action 0207, Gaz de France’s draft Modification Proposal for the “Re-alignment of Failure to Interrupt Charges”.

B Du introduced UNC 0205 and confirmed that an amendment was required to the Proposal to correct the interpreted use of the Bottom Stop SOQs, SHQs and charges applied. He challenged the Transporters as to why it was appropriate to mix the different components, expressing his concern that Interruptible customers would be exposed to higher costs.

B Du suggested that when the Proposal is amended to reflect his current understanding of the use of Bottom Stop SOQs and SHQs this would enable Transporters to further consider the Proposal and the current methodology.

Action 0301: Transporters to assess the amended UNC0205 and provide an explanation at next month’s meeting on the chosen methodology.

LW confirmed that a capacity reduction can be undertaken at any time with 5 days notice. She also explained that any change to the methodology would require a xoserve system change. ST confirmed that the 95:5 split system changes are currently being progressed.

RD expressed a concern about the new regime and the ability for customers to increase capacity in the future.

It was agreed that further consideration on the Proposal was required

3.0 Topics

3.1. 014Dis, CSEP NExA agreements

JM reported that RG0157 continue to meet monthly.

3.2. 025Dis, User Pays

UNC0188/0188A has been provided to Ofgem for a decision. However it was agreed that the Topic should remain for visibility, whilst discussions continue elsewhere.

3.3. 026Dis, RbD Issues Log

No update provided, ongoing.

3.4. 027Dis, Measurement error notification guidelines and Draft Business Rules

The Workstream agreed closer of the Topic in the light of UNC 0185VV draft Modification Report.

3.5. 028Dis, Updating Emergency Contact Information

The Workstream agreed to close the Topic, as Transporters are now producing the information and JGAC will consider its publication on the Joint Office Website.

3.6. 030Dis, DN Shrinkage Changes

JM confirmed that UNC0203 had been issued for consultation on 20 March 2008. ST questioned the reporting of Shrinkage Factors relating to

UNC0140. ST asked Shippers if they still wanted this information or should it now be replaced by the fixed volume.

Action 0302: Shippers to consider what reported Shrinkage information would be required from Transporters

3.7. 031Dis, Maintenance of Best Practice Guidelines for gas and electricity network operator credit cover

Further consideration required. Topic ongoing.

4.0 AOB

4.1. Update from iGT Modification Panel

CT provided a brief update.

4.2. Update from Ofgem

JD gave an update on Modification Proposals with Ofgem for a decision.

5.0 Diary Planning for Workstream

Next Meetings:

Thursday 24 April 2008, 10:00 31 Homer Road, B91 3LT

Thursday 22 May 2008, 10:00, Elexon, 350 Euston Road, London

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis1202	18/12/07	3.5	Transporters to consider solutions for updating Emergency Contact Information.	All Transporters	Action: Complete
DIS0102	24/01/08	4.3	All to consider the Maintenance of Best Practice Guidelines for gas and electricity network operator credit cover & provide views direct to WWU (SD/ST).	All	Action: Complete
DIS0201	28/02/08	2.1	All to consider the suggested 50% threshold for cost recovery – UNC0197.	All	Action: Carried Forward
DIS0202	28/02/08	2.2	CW to confirm if late payments can be deferred.	National Grid (CW)	Action: Complete
DIS0203	28/02/08	2.2	All to provide MD with comments via email regarding UNC0201.	All	Action: Complete
DIS0204	28/02/08	2.4	All to further consider the appropriate Shipper resolution window for USRVs	All	Action: Complete
DIS0205	28/02/08	2.5	JO to produce Workstream Report 0196 for Panel.	Joint Office	Action: Complete
DIS0206	28/02/08	2.6	MD to amend Proposal 0199 & JO to create Workstream Report for Panel	British Gas (MD) & JO	Action: Carried Forward

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DIS0207	28/02/08	4.4	All Transporters to provide feedback on the draft Proposal in time for it to be submitted to the March Panel Meeting.	All Transporters	Action: Complete
DIS0301	27/03/08	2.6	Transporters to assess the amended UNC0205 Proposal and provide an explanation at next month's meeting on the chosen methodology.	All Transporters	Action: Pending
DIS0302	27/03/08	3.6	Shippers to consider what Reported Shrinkage information would be required from Transporters	All Shippers	Action: Pending