

Distribution Workstream Minutes
Thursday 27 August 2009
Elaxon, 350 Euston Road, London

Attendees

Tim Davis (Chair)	TD	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Alan Raper	AR	National Grid Distribution
Andrew Wallace	AW	Ofgem
Anne Jackson	AJ	Scottish and Southern Energy
Brian Durber	BD	E.ON UK
Chris Hill	CH	RWE npower
David Thorne	DT	Gas Forum
Dean Johnson	DJ	xoserve
Elaine Carr	EC	Scottish Power
Erika Melén	EM	Energy Network Association
Gareth Evans	GE	Waters Wye
Graham Peck	GP	Corona Energy
Jemma Woolston	JW	Shell Gas Direct
Joanna Ferguson	JF	Northern Gas Networks
Joel Martin	JM	Scotia Gas Networks* via teleconference
Phil Broom	PB	GDF Suez
Phil Lucas	PL	National Grid Distribution
Richard Street	RS	Corona Energy
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy

Apologies

Linda Whitcroft	LS	Xoserve
Rosie McGlynn	RM	EDF Energy

1. Introduction and Status Review

1.1. Minutes from the previous meeting

The minutes from the previous meeting were approved subject to deletion of a comment attributed to RS.

1.2. Review of actions from previous Distribution Workstream meetings

Action Dis0401: UNC0248 - SL to provide some examples of why shippers need to replace meter reads, how these can currently be managed and how the proposal can improve this.

Action Update: See item 2.2. **Complete**

Action Dis0403: EDF Energy to revise proposal UNC0248 considering the discussions held at the Distribution Workstream.

Action Update: See item 2.2. **Carried Forward**

Action Dis0602: UNC0231 - Joint Office to publish the Workstream Report including the amended proposal by Friday 03 July 2009.

Action Update: See item 2.1. **Carried Forward**

Action Dis0605: UNC0253 - British Gas to present their conclusions on the impacts of data protection on the provision of supply point enquiry data without contact from a consumer.

Action Update: MD confirmed an update has been provided and a note published on the Joint Office website. **Complete**

Action Dis0701: WWU (ST) to raise draft version of an Alternate Proposal to 0258.

Action Update: See item 2.4. **Closed**

Action Dis0702: Scotia Gas Networks (JM) to revise Proposal 0258 for presentation at the Panel Meeting 06 August 2009.

Action Update: See item 2.4. **Closed**

Action Dis0703: Scotia Gas Networks (JM) to investigate provision of security token for Users relying on an agent for UK Link access.

Action Update: JM confirmed that a process exists to use the XP1 token to access Gemini. xoserve can make tokens available to Shippers.

Complete

Action Dis0704: Scotia Gas Networks (JM) to revise Proposal 0259 for presentation at the Panel Meeting 06 August 2009.

Action Update: JM confirmed his intention to amend UNC0259. **Closed**

Action Dis0705: GDF Suez (PB) and Corona (RS) to meet with the Transporters to discuss options for transfer of Meter Asset and Read History to New Suppliers.

Action Update: PB confirmed some work has been undertaken and he hoped to provide an update at the next meeting. **Carried Forward.**

Action Dis0706: Ofgem (AW) to report on whether email on Proposal 0209 can be placed on the Joint Office website.

Action Update: TD confirmed that Ofgem are considering issuing a letter. He also confirmed that the Modification Panel have sent the Proposal to the Nexus Workstream to consider how it could fit into the Project Nexus timescales, requesting a report to Panel by November. **Complete**

Action Dis0707: DNs to consider in the short term processes for development of proposals that address Supply Point capacity issues where demand is reduced.

Action Update: TD confirmed that a Review Group Proposal has been raised. **Complete**

Action Dis0708: Corona (RS) to issue a note outlying the current issues with the disconnection process.

Action Update: See item 3.4.1. **Complete**

1.3. Review of Live Modifications

TD outlined the live Modification Proposals.

AW gave an update on the modifications with Ofgem for a decision, indicating that the impact assessment is likely to be published in October for 0194/0194A, 0228A and 0229.

2. Modification Proposals

2.1. Proposal 0231: Changes to the Reasonable Endeavours Scheme to Better Incentivise the Detection of Theft

TD confirmed some changes had been made to the Proposal. AW wished to clarify the text of the Proposal relating to the maximum value being increased to £1,000 for items that already have a capped value - he suggested that the intent is not clear as drafted. MD explained that, at present, actual costs can be claimed for the values without a capped limit.

The table that illustrates the fixed and capped values was discussed, it was confirmed that there are seven items in table one. If the Proposal is implemented, item seven will be actual amounts and all others will be actual costs capped at £1,000. TD suggested inserting the table within the Proposal for clarity and MD agreed to consider this.

The Workstream discussed which documents it was intended should be inserted into the UNC. It was confirmed that the claim table would be part of the UNC, with changes subject to the Modification Rules. The Reasonable Endeavours Guidelines would be a document capable of being amended via the UNC committee process established for other UNC related documents. ST explained that, in accordance with the Licence, the Reasonable Endeavours Scheme is currently produced by Transporters and approved by Ofgem, and any change would need to reflect this. AW confirmed that Ofgem would need to consider that the current obligations placed on Transporters for the production for the Reasonable Endeavours Scheme.

AW questioned what validation would be undertaken on the claims submitted and what the verification process would be. MD believed that xoserve currently undertakes some validation although it was unclear exactly what this validation entailed.

Action Dis0801: xoserve to confirm the current verification on Reasonable Endeavours Scheme claims and the likely validations in the future.

ST asked if Ofgem have enough information for the justification of a £1,000 cap. AW confirmed that one response had been received to the request for supporting information. MD confirmed he would re-submit the British Gas response and encouraged all parties to respond to Ofgem on the justification of costs to investigate theft.

During discussions a number of amendments to the Proposal were suggested. It was agreed that if the suggested amendments were made and the information requested provided, the Workstream report could be submitted to September's UNC Panel for consideration.

2.2. Proposal 0248: Meter Reading Replacement

SL provided a presentation providing examples of why it may be desirable for meter reads to be replaced.

TD asked if the replacement of meter readings was only for xoserve purposes or to enable rebilling of customers. SL explained that the Proposal has no implications for customer billing. BD confirmed that customer billing processes are separate and there would be no change to current billing processes

Sections M3.7.3 and M3.7.4 were discussed. ST confirmed that the replacement read need not be taken on the same day, and clarified that when a subsequent read has been input the Proposal will allow a previous meter read to be replaced. The mechanics of replacement was discussed

and it was confirmed the replaced meter read would not actually be removed from the system but flagged as replaced.

It was clarified that under the current rules meter reads that are not “sandwiched” can already be replaced and the intent of the Proposal is to allow the replacement of “sandwiched” meter reads i.e. reads that have a subsequent meter read input.

AJ asked what would happen to subsequent reads that have been input. SL confirmed that each subsequent read could be changed, one at a time.

The period for allowed meter read replacements was discussed. It was acknowledged that replaced reads within twelve months would affect AQs and that there would be little benefit changing reads over four years old due to the cut off period for the AQ process. However, the Proposal does not stipulate a maximum period for allowed meter read replacements.

The current frequency of allowed meter reads was questioned and whether this proposal will affect the frequency limits of meter read submission. RS asked what would happen with meter read performance standards and what would happen to replacement meter read requests if the levels of meter read submission were reached. SL suggested any reads which exceeded the daily amount would be processed the next day. ST questioned the meter read windows and whether these provisions need to be changed.

GE suggested it should be made clear whether the replacement reads need not be physical meter reads or the correction of an estimate.

SL explained the automated system at EDF Energy for the provision of meter reads - more than one meter read can be provided i.e. a customer read, a system estimate and a meter reader reading. He explained the priority process for automated read submission to xoserve and that, depending on when a meter read is received by the automated system, the least correct read could be submitted. He confirmed that only actual reads could be used to correct a submitted read, and that a read can only be replaced by the registered Shipper.

GE asked about opening reads. SL explained that there is a current replacement meter read process for opening reads and that there is no intention to change this process. He clarified that meter read replacement could only be undertaken from the opening read onwards.

SL highlighted within the presentation that the Proposal is intended to be a temporary solution until Project Nexus comes to fruition, including additional functionality – in particular, using replacement reads in reconciliation processes.

SL acknowledged that the majority of the proposal benefits will be for Shippers and therefore suggested that the development costs are funded 75% by Shippers, 25% Transporters, and that operational cost are funded 100% by Shippers. This opened a debate about the submission of reads that could be interpreted by the system as incorrect if they are being amended. SL explained all reads submitted would be subject to a validation process. This raised issues about the validation processes and whether this also needs consideration by Shippers. SL explained how reads can be submitted which pass the existing validation process but are nonetheless subsequently identified as inaccurate.

SL explained the funding options considered by EDF. This included the use of an opt in / opt out solution which was rejected. ST believed that since there are obligations in place to ensure the accuracy of meter reads there should not be an ability to opt out of the service. However RS expressed

that some Shippers may wish not to use the scheme due to the development / operational costs and may wish to wait until later on in the process when meter reads can be challenged during the AQ review process.

SL suggested that a ROM is requested by the Transporters to get a better understanding of the potential costs. ST suggested that to inform the ROM it would be useful for Transporters to understand the likely use of the service. SL suggested that rejected readings due to subsequent read submissions would be an indication of the maximum use. ST explained that the level of potential use would help xoserve understand how automated a process should be developed.

Action 0802: Transporters to consider the level of information required for the ROM and to request a ROM if adequate data is available.

2.3. Proposal 0255: Publication of Objection rates for LSP Supply Points

ST confirmed that a ROM had been requested and a sample report generated for further discussion. ST then presented the sample LSP Objection Rate Report. In the interests of anonymity, bands had been used based on incoming confirmation rates i.e. less than 100, between 100 and 500 or greater than 500 along with the percentages of all successful LSP objections.

***Post Meeting Note:** An updated version of the presentation has been published on the Joint Office Website.*

It was agreed that further consideration would be given to the information provided.

ST offered to confirm Shipper specific information if Shippers wished to identify themselves on the report.

2.4. Proposal 0258: Facilitating the Use of Remote Meter Reading Equipment for the Purposes of Demand Estimation Forecasting Techniques

JM highlighted that, at a previous Workstream, Chris Warner had suggested that the protection of daily read equipment was important to retain and that the Modification Proposal was consequently amended to introduce a new definition. JM explained the Proposal needs to be changed again reflecting which definition is to be utilised.

TD invited comments on the draft Workstream Report, suggesting that the Proposal was a facilitating change which would provide flexibility regarding the type of equipment procured to support demand estimation. As such, by creating the ability to choose the most economic and efficient approach to data collection, implementation of the Proposal would be consistent with the DN's Licence obligations. In time this would also support accurate data collection and so would be expected to contribute towards accurate cost allocations between Shippers, which would facilitate effective competition. It was agreed that the Workstream Report could be completed on this basis for submission to the Modification Panel

ST explained that WWU intended to raise an Alternative Proposal with an additional element that would also facilitate procuring data from sources other than the Transporters.

RS was keen to see a draft of the Alternative for further consideration before the original was issued to consultation. TD indicated that, since an Alternative had not been formally raised, at this stage the original Proposal should be considered on its own merits. JM confirmed that he was keen for the Proposal to be considered by the September Panel meeting such that it

could be implemented in time to support the procurement of some replacement equipment. ST emphasised that he did not wish to delay the progress of 0258 but, for publication alongside the minutes, would provide a draft of the Proposal which he anticipated raising.

Post Meeting Note: *Wales & West Utilities have produced a draft Proposal which will be finalised and published when 0258 is finalised.*

It was confirmed that, subject to finalising the definitions in the Proposal, the Workstream Report was acceptable

3. Topics

3.1. 014Dis, CSEP NExA Agreements

No issues to discuss.

3.2. 038Dis, Emergency Contact Details

No issues to discuss.

3.3. 039Dis, Transfer of Meter Asset and Read History to New Suppliers

PB requested that this topic be considered at September's meeting.

3.4. New Topic

3.4.1. 0040Dis, Disconnection Timescale

RS introduced the topic relating to the level of financial security that has to be provided to cover the time taken to complete the isolation process. RS invited views on the scope for changing the process. MD pointed out that there is more involved than just UNC governance. A warrant to permit entry is needed and shortening the timetable for this is problematic - guidance given to Magistrates suggested debt should be outstanding for over 60 days before agreeing to issue a warrant.

A discussion took place on how to introduce protection against non-payment of invoices. AR suggested that, in principle, any Transporter or other authorised body could be contracted to act on behalf of a Supplier to open up access to a gas pipe in the road and carry out disconnection, but they would only be acting as a contractor not as a Transporter. This would remove the delay associated with obtaining a warrant. BD asked if there were any safety issues with this approach, and AR said that anyone involved would need the appropriate authorisation but carrying out the work would not, of itself, be a safety issue.

SL asked about Category C customers where damage could be made to plant/property and it was agreed that this would need to be a consideration.

Action Dis0803: National Grid Distribution (AR) to examine the possible timelines for a contracted disconnection service without access to customer premises.

RS invited any further suggestions or feedback.

4. AOB

4.1. User Emergency Contact details

It was confirmed that xoserve centrally manage the details for the industry to contact Shippers to ensure appropriate User Emergency contact details - updates are being worked on and will be provided when available.

4.2. Third party participants

ST suggested that the industry might want to consider if parties other than Consumer Focus should be recognised as a third party able to raise Modifications in respect of certain parts of the UNC. For example, iGTs might be designated.

RS suggested this might need to be raised as a Governance Workstream topic. ST acknowledged that this is a governance issue but it may merit being considered at all the Workstreams.

5. Diary Planning for Workstream

Thursday 24 September 2009, 10:00, Elexon, 350 Euston Road, London

Thursday 22 October 2009, 10:00, 31 Homer Road, Solihull

Thursday 26 November 2009, 10:00, Elexon, 350 Euston Road, London

Distribution Workstream Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0401	23.04.09	2.2	UNC0248 – SL to provide some examples of why shippers need to replace meter reads, how these can currently be managed and how the proposal can improve this.	EDF Energy (SL)	Complete
Dis0403	23.04.09	2.2	EDF Energy to revise proposal UNC0248 considering the discussions held at the Distribution Workstream.	EDF Energy (SL)	Revised Proposal to be issued Carried Forward
Dis0602	25.06.09	2.1	Joint Office to publish a draft Workstream Report for approval by Friday 03 July 2009.	Joint Office (BF/HC)	Proposal to be revised prior to report publication. Carried Forward
Dis0605	25.06.09	2.3	British Gas to present their conclusions on the impacts of data protection on the provision of supply point enquiry data without contact from a consumer.	British Gas (MD)	Complete
Dis0701	23.07.09	2.4	Raise draft version of an Alternate Proposal to 0258.	WWU (ST)	Closed
Dis0702	23.07.09	2.4	Revise Proposal 0258 for presentation at the Panel Meeting 06 August 2009.	Scotia Gas Networks (JM)	Closed
Dis0703	23.07.09	2.5	Investigate provision of security token for Users relying on an agent for UK Link access.	Scotia Gas Networks (JM)	Complete
Dis0704	23.07.09	2.4	Revise Proposal 0259 for presentation at the Panel Meeting 06 August 2009.	Scotia Gas Networks (JM)	Closed
Dis0705	23.07.09	3.3.1	Meet with the Transporters to discuss options for transfer of Meter Asset and Read History to New Suppliers.	GDF Suez (PB) and Corona (RS)	Carried Forward
Dis0706	23.07.09	4	Report on whether email on Proposal 0209 can be placed on the Joint Office website.	Ofgem (AW)	Complete
Dis0707	23.07.09	4	Consider in the short term processes for development of proposals that address	DNs	Complete

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			Supply Point capacity issues where demand is reduced.		
Dis0708	23.07.09	4	Issue a note outlining the current issues with the disconnection process.	Corona (RS)	Complete
Dis0801	27.08.09	2.1	UNC0231 - xoserve to confirm the current verification on Reasonable Endeavour Scheme claims and the likely validations in the future.	xoserve	Pending
Dis0802	27.08.09	2.2	UNC0248 - Transporters to consider the level of information required for the ROM and to request a ROM if adequate data available.	Transporters	Pending
Dis0803	27.08.09	3.4	National Grid Distribution (AR) to examine the possible timelines for a contracted disconnection service without access to customer premises.	National Grid (AR)	Pending