

Distribution Workstream Minutes
Thursday 27 November 2008
Elexon, 350 Euston Road, London

Attendees

Bob Fletcher (Chair)	BF	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Alan Raper	AR	National Grid Distribution
Andy Miller	AM	xoserve
Bali Dohel	BD	Scotia Gas Networks
Beverley Viney	BV	National Grid Transmission
Chris Hill	CH	RWE Npower
Chris Warner	CW	National Grid Distribution
Claire Rozyn	CR	Ofgem
David Addison	DA	xoserve
Edward Coleman	EC	E.ON UK
Gareth Evans	GE	Waterswye
Jemma Woolston	JW	Shell Gas Direct
Jenny Boothe	JB	Ofgem
Joel Martin	JM	Scotia Gas Networks
Linda Whitcroft	LW	xoserve
Martin Brandt	MB	SSE
Mitch Donnelly	MD	British Gas
Phil Broom	PB	Gaz de France
Richard Dutton	RD	Total
Richard Street	RS	Corona Energy
Sara Bea	SB	EDF Energy
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy
Steve Nunnington	SN	xoserve
Tim Davis	TD	Joint Office

Apologies

1. Introduction and Status Review

1.1. Minutes from October Workstream

The minutes of the previous meeting were approved.

1.2. Review of Actions from previous meetings

Action 0609: Ofgem to consider whether they would wish to lead any further cross-industry work on credit best practice.

Action Update: NGN, WWU and NG Distribution submitted items to be looked at as part of the credit arrangements review to Ofgem see Action 1001. JB thanked those who had responded. However she explained that Ofgem are not currently in a position to lead a cross industry review. JB welcomed any further comments. **Complete.**

Action 0903: National Grid to examine the possibility of meter labelling as part of the Prime and Subs survey process.

Action Update: CW confirmed that contacts at each DN are liaising with each other, but there is nothing to report at the moment. He confirmed that Ofgem have written to each DN and that a response will be provided. RS expressed concern about including Shippers within the process and allowing sufficient time for this. CW confirmed that there are no clear timescales at the moment. SL asked if any new Prime and Sub configurations are being installed. ST confirmed that no new Prime and Sub configurations are being installed. However AM explained that there may be pre-existent configurations that have not been previously identified being newly recorded on S&M. **Carried forward**

Action 0904: National Grid to draft a Primes and Subs ownership investigation process for further consideration by other DNOs

Action Update: CW asked if this action could be carried forward.
Carried forward

Action 1001: All industry parties to advise Jenny Booth or Jon Dixon, Ofgem of any issues or concerns for Ofgem's consideration of the Credit Guidelines.

Action Update: Northern Gas Networks, Wales & West Utilities and National Grid Distribution confirmed submission of items to be looked at as part of the credit arrangements review to Ofgem.

Complete

Action 1002: British Gas to correct the errors in the methodology's equation references contained in the UNC0228 presentation and proposal.

Action Update: UNC0228 v4.0 has been amended see item 2.1.

Complete.

Action 1003: British Gas to make available the UNC0228 figures and the workings to enable further Shipper interrogation.

Action Update: MD explained that some information has been published within the UNC0194 response. He confirmed that he is willing to provide alternative algebra calculations and that this can be circulated for discussion at the Energy Modification Forum due on 16 December 2008. He expressed that the calculations would only be an alternative method of calculation to aid understanding. RS expressed that he has asked for information on the underlying numbers on numerous occasions.

Complete.

1.3. Review of Live Modification Proposals

BF summarised the current situation of all the live Modifications for the Distribution Workstream.

ST questioned the period Ofgem aim to make decisions, it was understood that this was a 25 day service agreement; however JB explained that this does not start until Ofgem have received the Legal Text.

2. Modification Proposals

2.1. Proposal 0228: Correct Apportionment for NDN Error – Energy

MD confirmed that the Modification had been amended to include elements of UNC0194 creating the table and populating it. He also confirmed that recent data from UNC0081 had been used within the calculation; however the formulas remained the same.

MD confirmed he will provide different ways in which the formulas have been created to aid the understanding of the formulas used. The Joint Office will publish these on the website as an annex. BF asked if this could be provided to supplement the Workstream Report before the meeting planned on 16 December 2008.

MD referred to a presentation he provided which explains where the data has come from.

The Workstream considered and completed the Workstream Report.

It was envisaged that an online solution may cost in the region of £300,000. TD enquired about the payment of a new service and the appropriate cost recovery through User Pays. RS made a point that it would be somewhat obscure for Shippers to be charged for the correct re-allocation of costs. SL questioned if this is fundamentally a core service however ST explained the core services were agreed when xoserve were establishing what services should be stripped out of the core and be included in User Pays service charges. It was suggested that this ought to be included within the price control review.

RD suggested that the costs for an offline solution would be considerably less than the costs of an online solution. It was also discussed that either option would only be an interim solution until Project Nexus.

3. Topics

3.1. 014Dis, CSEP NExA agreements

JB confirmed that Ofgem held a meeting on the 24 November 2008. The use of a single Service provider was considered. Further consideration under SPAA is now being considered. RS requested that an opportunity is provided to non SPAA members to consider the proposals. Ofgem confirmed that there would be an opportunity for consultation especially if there are license changes. The next SPAA executive meeting is being held on 10 December 2008.

3.2 025Dis, User Pays

BF confirmed the Panel determined UNC0213 should now be issued for consultation with Legal Text. The Joint Office is awaiting the Legal text and should publish a DMR by 11 December 2008.

SL confirmed that comments have been invited on the Guidance Documents presented at the Governance Workstream.

A link to the Guidance Documents will be provided on the Joint Office website under the Distribution Workstream meeting.

3.3 031Dis, Maintenance of Best Practice Guidelines for gas and electricity network operator credit cover

Further to Action 0609, ST expressed concern that Ofgem are not able to currently lead a review.

3.4 032Dis, Primes & Subs

See Actions 0903 and 0904. No further update available.

4. AOB

4.1 Update from iGT Modification Panel

ST provided an update from the iGT Modification Panel, he confirmed that the iGT single service provider proposal was on hold, and that a Final Modification Report for Credit arrangements had been produced, in summary Shippers are against the arrangements as they are not in line with Ofgem's best practise guidelines, however the iGTs are in favour.

RS questioned the effect of a single service provider on NExAs and project Nexus. A debate occurred about industry governance and the importance of ensuring governing bodies have agreed a way forward to allow the specification of systems under project Nexus. Once the Governance was in line the changes to meet the industry requirements can then be made. ST confirmed that SCOGES are looking at packages that could be tendered out. AM confirmed that consideration of the iGT single service provider, by SPAA, is not within the control of Project Nexus. If there is a requirement for a single service provider the industry has to consider this and project Nexus will be mindful of the projects that are going on and the likely timescales.

5. Diary Planning for Workstream

Additional Workstream Meetings:

ERP Mods: Tuesday 16 December 2008, 10:00 at the Holiday Inn, 61 Homer Road, Solihull.

Ordinary Distribution Workstream Meetings:

Tuesday 06 January 2009, 10:00 Elexon, 350 Euston Road, London

Thursday 29 January 2009, 31 Homer Road, Solihull

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

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

Thursday 23 April 2009, at a Solihull venue to be confirmed.

Thursday 28 May 2009, 10:00, Elexon, 350 Euston Road, London

Thursday 25 June 2009, 10:00, Elexon, 350 Euston Road, London

Thursday 23 July 2009, at a Solihull venue to be confirmed.

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DIS0609	27/06/08	3.2	Ofgem to consider whether they would wish to lead any further cross-industry work on credit best practice	Ofgem (JB)	Action: Complete
DIS0903	25/09/08	3.5	National Grid to examine the possibility of meter labelling as part of the Prime and Subs survey process	National Grid (CW)	Action: Carried Forward
DIS0904	25/09/08	3.5	National Grid to draft a Primes and Subs ownership investigation process for further consideration by other DNOs.	National Grid (AS/CW)	Action: Carried Forward
DIS1001	23/10/08	1.2	All industry parties to advise Jenny Booth or Jon Dixon, Ofgem of any issues or concerns for Ofgem's consideration of the Credit Guidelines.	All	Action: Complete
DIS1002	23/10/08	2.1	British Gas to correct the errors in the methodology's equation references contained in the UNC0228 presentation and proposal.	British Gas (MD)	Action: Pending
DIS1003	23/10/08	2.1	British Gas to make available the UNC0228 figures and the workings to enable further Shipper interrogation.	British Gas (MD)	Action: To be provided for 16 December 08 Meeting.