

**Distribution Workstream Minutes**  
**Thursday 27 September 2007**  
**Elaxon, 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
Andrew Green	AG	Total
Andrew Margan	AM	BGT
Beverley Grubb	BG	Scotia Gas Networks
Chris Hill	CH	RWE npower
Chris Warner	CW	National Grid Distribution
Clare Temperley	CT	Gas Forum
Fiona Cottam	FC	xoserve
James Crosland	JC	Corona Energy
Joanna Ferguson	JF	Northern Gas Networks
Jon Dixon	JD	Ofgem
Karen Kennedy	KK	Scottish Power
Linda Whitcroft	LW	xoserve
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
Sallyann Blackett	SaB	E.ON
Sham Afonja	SA	RWE npower
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy
Steve Nunnington	SN	xoserve

**Apologies**

Tim Davis	TD	Joint Office of Gas Transporters
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**1.0 Introduction and Status Review**

**1.1. Minutes from August 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:** Carried Forward to October Workstream.

**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:** CW reported that National Grid did not wish to publish their internal procedures but advised that each case is reviewed individually.

**Action:** Complete

**Action Dis0402c:** DNs to clarify their position on when a legal opinion was/was not required.

**Action Update:** JF confirmed Northern Gas Networks do not have a written policy and that consideration is given on a case by case basis.

**Action:** Complete

**Action 0801:** RWE to raise Modification Proposal “Amendment to “User SP Aggregate Reconciliation Proportion” to incorporate historical AQ Proportions” in time for September’s Panel Meeting.

**Action Update:** UNC MP0171 raised, however a Panel decision is deferred to the October Meeting.

**Action:** Complete

**Action 0802:** Joint Office to seek closure of SSE’s Topic 021Dis – Individual Meter Point Reconciliation.

**Action Update:** MJ confirmed topic can be closed.

**Action:** Complete

**Action 0803:** All Transporters to provide existing internal Demolition Procedures prior to September’s Distribution Workstream.

**Action Update:** See item 2.1.

**Action:** Complete

**Action 0804:** National Grid to raise Modification Proposal “Revised Tender Timescale for DN Interruption Arrangements” allowing sufficient time for consideration before September’s Panel Meeting.

**Action Update:** UNC MP0174 raised, Consultation Ends 12 October 2007

**Action:** Complete

**Action 0805:** All to provide feedback to Gaz de France Draft Review Proposal.

**Action Update:** RWE and National Grid confirmed feedback had been provided.

**Action:** Complete

**Action 0806:** Gaz de France to raise Review Proposal for September’s Panel Meeting.

**Action Update:** UNC RP0175 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. She requested that a note was made for the requirement of the Business Rules before a Modification Proposal for Review Group 0131 was raised and issued to consultation. NN acknowledged there was a need for efficient use of resources and that Ofgem required sufficient information to facilitate a decision.

JM confirmed that Review Group 0175 was now established and requested representatives for the group and for the initial meeting date to be agreed. CW, MD and AT volunteered to be representatives. It was agreed to schedule meetings after the Distribution Workstream and that the Joint Office would produce a draft Terms of Reference for comments by email and if necessary arrange a teleconference to discuss any issues raised.

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JM reviewed the Topics Log. It was agreed that the following Topics would be closed: 016Dis, 019Dis, 022Dis and 023Dis.

## 2.0 Modification Proposals

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

CH explained the Proposal, which would require Transporters to inform Shippers of planned demolitions, but recognised that DNs are not notified of all cases of site demolitions. AG questioned if it is possible that DNs are being notified but that this information is not filtering through to the correct channels.

CH clarified that RWE had approached the Transporters requesting information of sites that had been demolished within their Network. CH highlighted that one Transporter had responded but that there was a mismatch with the number of sites reported. ST confirmed as a Transporter WWU do not record which supplier had supplied a site which has been demolished. ST explained that the mismatch in figures may be as a result of comparing data that relates to all demolitions in a Network opposed to demolitions for RWE. ST therefore believed that the statement made in the Modification Proposal suggesting only 10% of demolition notifications are being provided by the Transporter is misleading and needs to be amended before consultation.

CW provided a slide explaining National Grid’s Disconnection Process. He highlighted that there are demolitions taking place that the industry is not being made aware of.

FC briefly explained the terminology that needs to be clarified to avoid confusion for example the Meter Point is the level at which an isolation is made not the meter. CH agreed to review the correct terms to be used with the aim of completing a Workstream Report at October’s Distribution Workstream.

SN highlighted that xoserve produce monthly reports on dead sites however it appeared from the Proposal that this information would be required within 5 working days from receiving information from the party involved. AT questioned why 5 working days had been proposed. ST expressed concern that the 5 working days turnaround could not be achieved. CH confirmed that this period could be re-examined.

**Action 1001:** CH to review Modification Proposal 0172 in light of feedback.

**Action 1002:** SN to investigate what xoserve currently report and the level of detail contained within this report.

It was agreed that as UNC0172 had been raised Topic 024Dis could now be closed.

## 3.0 Topics

### 3.1. 014Dis, CSEP NExA agreements

JD briefed the group on progress and reported that the Ofgem meeting would in future act as a steering group as the work was now being undertaken in meetings between the AiGT and DNs and within RG 0157.

CW agreed to update progress to the group in future.

### 3.2. 018Dis, Charging for reconciliation quantities.

Topic closure agreed due to Modification Proposal 0171: "Amendment of 'User SP Aggregate Reconciliation Proportion' to incorporate historical AQ proportions".

### 3.3. 021Dis, Individual Meter Point Reconciliation

JM confirmed that Review Proposal 0168 "Individual Meter Point reconciliation" had been raised and an initial meeting held on 13 September 2007. Topic closure agreed

### 3.4. 024Dis, Demolished Void and Vacant Sites

Topic closed see item 2.1.

### 3.5. Any New Topics

#### 3.5.1. Review of NDM Profile Allocation Parameters

SaB provided a brief presentation, explaining that the formula has never been changed since the start of Network Code. She believed that it must be possible to devise a formula with a weather correction factor that does rely on Seasonal Normal Demand. She suggested that the Review Proposal is best considered by the relevant experts such as DESC members. FC suggested that a sub-group could be formed within DESC and ST suggested that the formula could be discussed as a Topic by DESC. However E.ON was keen to form a Review Group because of the frequency of meetings required. The frequency of meetings was discussed considering that any new formula would need to be agreed by January 2008, for a change to be implemented on 1 October 2008. SaB believed that if a solution could be found which replaces the current formula it would be possible to achieve this timescale. It was agreed that the initial Review Group meeting would follow the November DESC meeting.

SF questioned if the Seasonal Normal Demand needs to be looked at, as he believed it is not as accurate as it could be.

FC confirmed that the scaling factors are correct and are working but there is a belief that the factor ought to be closer to one.

KK highlighted a potential concern with Shipper validation processes. SaB suggested the validation processes may not be affected but this would depend on the solution.

**Action 1003:** E.ON to raise Review Proposal "Review of NDM Profile Allocation Parameters" in time for October's Panel Meeting.

#### 3.5.2. Rolling AQ Review

SaB provided a brief presentation looking at the accuracy of AQ and AQ calculation. AT confirmed that an AQ review could be undertaken every time a meter read is taken. MJ explained what currently happens in the Electricity Market.

MJ highlighted that Review Group 0168 could have its scope widened to consider this Proposal. MD confirmed that the 0168 Review Group Terms of Reference have not yet been finalised. CW believed that it may not be possible to include the Rolling AQ Review within RG0168.

ST pointed out that Ofgem are keen for xoserve to consult the industry on UK Link replacement proposals. SN believed that xoserve would be in a position to provide the industry with their proposals early 2008.

**Action 1004:** xoserve to confirm the UK Link replacement timetable.

### **3.5.3. Reclassification of SSP to Domestic only**

SaB provided a brief presentation as an alternative to Individual Meter Point Reconciliation, removing many of the RbD problems particularly with the potential increase of USRVs.

It was agreed that the definition change would certainly make the RbD market smaller as there are a number of small industrial sites that are currently classed as a Small Supply Point. MD believed that as the RbD sector would become smaller, charges such as shrinkage would become totally born by Domestic Customers and that these impacts on RbD need to be considered.

AT questioned whether a Review Group would actually be required for such a well defined proposal. It was agreed it would be best placed as a Review Group.

**Action 1005:** E.ON to raise Review Proposal "Reclassification of SSP to Domestic only".

## **4.0 AOB**

### **4.1. Update from iGT Modification Panel**

ST provided a brief update and confirmed that all information is available on the iGT website.

### **4.2. South Wales Offtake Errors**

ST provided a presentation on the South Wales Offtake Errors. He advised that there is no intention to publish the presentation as the figures are subject to change. ST went on to explain that the error at Dowlais was likely to decrease which would increase the total figure to be credited to RbD Shippers. He also explained how the cut off proposed by the 0152 alternatives could affect the total figure.

## **5.0 Diary Planning for Workstream**

Next Meetings:

Thursday 25 October 2007, 10:00 at Novotel, Birmingham International Airport.

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: Complete
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: Complete
Dis0801	23/08/07	3.2	RWE to raise Modification Proposal "Amendment to "User SP Aggregate Reconciliation Proportion" to incorporate historical AQ Proportions" in time for September's Panel Meeting.	RWE (SH)	Action: Complete
Dis0802	23/08/07	3.3	Joint Office to seek closure of SSE's Topic 021Dis – Individual Meter Point Reconciliation.	Joint Office	Action: Complete
Dis0803	23/08/07	3.5.1	All Transporters to provide existing internal Demolition Procedures prior to September's Distribution Workstream	All Transporters	Action: Complete
Dis0804	23/08/07	3.5.2	National Grid to raise Modification Proposal "Revised Tender Timescale for DN Interruption Arrangements" allowing sufficient time for consideration before September's Panel Meeting.	National Grid	Action: Complete
Dis0805	23/08/07	3.5.3	All to provide feedback to Gaz de France Draft Review Proposal.	All	Action: Complete
Dis0806	23/08/07	3.5.3	Gaz de France to raise Review Proposal for September's Panel Meeting.	Gaz de France (PB)	Action: Complete
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: Pending

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<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
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: Pending
Dis1004	27/09/07	3.5.2	xoserve to confirm the UK Link rewrite timetable.	xoserve (SN)	Action: Pending
Dis1003	27/09/07	3.5.3	E.ON to raise Review Proposal "Reclassification of SSP to Domestic only".	E.ON (SaB)	Action: Pending