

Distribution Workstream Minutes
Thursday 28 February 2008
Elexon, 350 Euston Road, London

Attendees

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Alison Chamberlain	AC	National Grid Distribution
Andrew Margan	AM	Centrica
Bali Dohel	BD	Scotia Gas Networks
Chris Shanley	CS	National Grid
Chris Warner	CW	National Grid Distribution
Jemma Woolston	JW	Shell
Jenny Booth	JB	Ofgem
Joanna Ferguson	JF	Northern Gas Networks
Kerri Matthews	KM	National Grid
Linda Whitcroft	LW	xoserve
Marie Clark	MCI	Scottish Power
Mark Jones	MJ	SSE
Matt Smith	MS	xoserve
Mick Curtis	MC	E=MC ²
Mitch Donnelly	MD	British Gas
Nick Wye	NW	Waterswye
Phil Broom	PB	Gaz de France
Richard Dutton	RD	Total Gas and Power
Richard Street	RS	Corona Energy
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy
Steve Nunnington	SN	xoserve
Thomas Vickers	TV	Gaz de France

Apologies

Alex Travell	AT	E.ON UK
Chris Hill	CH	RWE Npower
James Crosland	JC	Corona Energy
Rob Cameron-Higgs	RCH	Northern Gas Networks

1.0 Introduction and Status Review

1.1. Minutes from January Distribution Workstream

Sue Davies had requested the following amendment to Section 4.3
Maintenance of Best Practice Guidelines for gas and electricity network operator credit cover

SD provided a presentation ~~confirming that Modification Proposals 0190 and 0191 had been raised.~~ [on the requirement to set up a process whereby the Gas & Electricity guidelines for credit cover were reviewed regularly to ensure that they, and the codes affected by them, remained relevant and fit for purpose.](#)

SD welcomed views from Shippers and Ofgem. She confirmed that the next step is to collate views and identify the scope of a potential industry Review Group. She confirmed that equivalent electricity contacts have also been approached. SD also confirmed that Ofgem have indicated that the whole industry should be involved.

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).

Minutes were then approved.

1.2. Review of Actions from previous meetings

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

Action: See item 3.5. **Carried Forward**

Action 0101: All to provide views on UNC0192 to National Grid (CW).

Action: CW confirmed that a presentation has been produced. See Item 2.4. **Closed**

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: See item 3.7. **Carried Forward**

1.3. Review of Live Modification Proposals and Topics Log

See items 2.0 and 3.0.

2.0 Modification Proposals

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

MD confirmed the intention of the Proposal. He believed that where an LSP theft has been identified then the Supplier should not be exposed to the full energy costs, particularly when the Shipper is unable to claim for the costs. He believed some more work may be required to the Proposal and that an amendment will be likely.

He invited feedback on the suggested 50% threshold of exposed costs with the remaining covered by RbD.

Action 0201: All to consider the suggested 50% threshold for cost recovery.

CS highlighted a concern that the Proposal was not in line with current incentives.

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

MD introduced the Proposal which seeks a pragmatic solution to managing small invoices. MD confirmed that British Gas are open to suggestions as to which invoices should be included. AM confirmed Shippers' preference to batch payments.

CW provided a presentation highlighting the current UNC Payment Terms.

MD challenged the statement made within the presentation that the current process has proven effective since the start of competition as he understood that a number of discussions had taken place regarding the management of small invoice values. CW was not aware of these and accepted the challenge made.

CW explained the system changes required for Implementation. RS believed that the changes summarised were not significant changes.

CW provided an alternative solution whereby money on account could be used by the Transporter to draw upon for settlement of low value invoices. AM confirmed this concept had been considered at the Billing Operations forum before this Modification Proposal was raised. This solution was deemed a labour intensive regime as spreadsheets would have to be managed for each Shipper. CW believed that this solution would be less costly than the suggested Proposal.

LW believed that that the discussions did not take place within the Billing Ops Forum but at a meeting that was held following the forum for interested Shippers.

RS challenged National Grid's current process where very small payments were being progressed. CW advised that National Grid were capable of continuing to do this. However JF suggested that NGN would not want to be processing values of less than £1.

AM questioned whether late payments could be deferred.

Action 0202: CW to confirm if late payments can be deferred.

ST confirmed WWU were sympathetic to the concerns and believed that some benefit could be gained but he also acknowledged that WWU was a smaller organisation than National Grid and that the costs of developing systems may not be as significant as for National Grid due to National Grid's system configuration. ST confirmed that National Grid's solution was also possible for WWU. JF also acknowledged that some systems at NGN are automated but believed that the Proposal was a sensible solution.

MD invited comments via email to the Proposal, before the Workstream Report is considered at the March Distribution Workstream meeting.

Action 0203: All to provide MD with comments via email regarding UNC0201.

2.3. Proposal 0202: "Improvement to More Frequent Readings Provisions to allow benefits of AMR"

RS introduced the Modification Proposal explaining it was for the provision of additional meter reads and to align systems so that reads could be provided direct to the Transporter. RS also highlighted other benefits such as better profiling.

CW provided a presentation on the current provisions, highlighting the impact to Annual Read Meters with non-domestic flags having a meter reading provided 13.5 times a year. RS believed that the reads are likely to be provided monthly.

CW highlighted the theoretical read volume implications. RS believed that the amounts are not a reality as only 5% of Corona Energy customers have AMR read equipment. He suggested that only 2,000 sites would be involved at the moment compared to the suggest 382,859. He believed that this would increase over a period as AMR equipment is installed. RD challenged National Grid that actual uptake needs to be considered not just theoretical. CW confirmed that National Grid can only work on theory until they understand the potential use of the service.

MC believed that more frequent provision of meter reads should assist the industry with other processes such as accurate Aqs. RS also suggested that

the information could also enable validation of samples. ST believed that it wouldn't currently benefit validation of samples as the arrangements are not currently in place.

CS highlighted that there are targets to implement AMR over the next 5 years, however RS believed that a significant percentage of current meters would not support AMR equipment and were reliant on National Grid Metering to be able to change the meter before AMR equipment can be fitted.

ST suggested Corona may want to amend the Proposal to acknowledge some of the comments regarding sample validation to avoid representations repeating the issues discussed.

ST highlighted that Shippers have the ability to provide I&C flags for sites with a domestic sized consumption.

RS confirmed that further consideration will be given to the proposal. It was agreed that a Workstream report would be produced at the March Workstream meeting.

2.4. Proposal 0192: "Introduction of DNO Obligations to Facilitate Resolution of Unresolved USRVs"

CW provided a presentation detailing some high level Business Rules.

MC tried to ascertain how many USRVs may be connected to sites which have transferred to another supplier, LW confirmed xoserve do not track this information however she highlighted that some Shippers actively resolve USRVs and others have much less resolution activity.

RD questioned the ability to challenge the DNO resolution. MD explained that Shippers will have a two year window to resolve USRVs, if a Shipper wants to enter into a commercial arrangement whereby the Shipper can ask for assistance and wants to be involved within the resolution process this is not precluded.

LW highlighted that to challenge the DNO resolution the Shipper would need to have some information to appeal this and if this information was available to the Shipper it would raise the question why the USRV had not already been resolved by the Shipper. MD believed that if additional evidence is obtained following the Transporter resolution the reconciliation period could correct the position.

ST provided some statistics that had previously been provided at Review Group 0158 which suggests that the 2 years window was not unreasonable.

MJ highlighted that the USRV could cover a period of up to two years so in reality it could be four years old before it was passed to the Transporter to resolve.

It was agreed that all parties would consider the appropriate period for Shippers to resolve USRVs

Action 0204: All to further consider the appropriate Shipper resolution window for USRVs

2.5. Proposal 0196: "Alterations to shipper penalties for end user failure to interrupt"

RD introduced the Proposal, it was agreed that the amended Proposal was now clear and required no further development by the Workstream. Therefore

the Joint Office could use the Proposal as the Workstream report and submit it to the March Panel Meeting.

AC highlighted a previous Modification Proposal raised by RWE npower which had attempted to address reasonable endeavours.

ST believed that the 5 strike rule was a reasonable incentive to ensure interruption. AC confirmed that the 5 strike incentive had never been invoked, however National Grid believed this still a reasonable incentive.

RD noted that if a Shipper fails to interrupt then Transporters will isolate the site, RD endorsed this practise and believed this provided an adequate incentive which bears no risk to the system.

The Workstream discussed the ramifications of removing of an entire interruptible portfolio and making it firm.

Action 0205: Joint Office to produce Workstream Report for UNC0196 for the March Panel Meeting.

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

MD introduced the Proposal, which was raised to remove any ambiguity from the General Terms Section A - Dispute Resolution.

AC believed that as the Proposal refers to section S, this may add more confusion than the current wording.

RS asked the Transporters if they believed the current arrangements were ambiguous. ST was concerned of a potential increase to disputes.

Following discussion, MD confirmed that the Modification Proposal would be amended to clarify it covers all sections of the Code.

The Workstream agreed that with the above amendment, the Proposal is sufficiently developed for the Workstream report to be produced by the Joint Office and provided to the March Panel.

Action 0206: MD to amend Proposal and the Joint Office to create a Workstream Report for UNC0199 for the March Panel Meeting.

2.7. Proposal 0200: “Introduction of a Date Tolerance to Facilitate the Processing of Individual Meter Point Reconciliation at LDZ CSEPs”

CW provided a presentation as requested by the February UNC Panel.

CW explained that this is a pragmatic solution were by rejections can be limited by aligning iGT and Transporter systems. ST explained this should help facilitate more reconciliation.

3.0 Topics

3.1. 014Dis, CSEP NExA agreements

JB confirmed that the next Ofgem CSEP NExA meeting will be held on 10 March followed by RG0167.

3.2. 025Dis, User Pays

No update provided. Topic ongoing.

3.3. 026Dis, RbD Issues Log

No update provided. Topic ongoing.

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

ST reported that UNC0185 had been varied and 0185A withdrawn.

3.5. 028Dis, Updating Emergency Contact Information

Transporters agreed that they will endeavour to update contacts lists on a quarterly basis and that the contacts are available on the Transporter websites.

JM confirmed that publication of the contacts on the Joint Office Website needs to be referred to JGAC.

Action 1202 was carried forward for further consideration at the Distribution Workstream.

3.6. 030 DN Shrinkage Changes

KM provided a draft Modification Proposal which she intends to raise at the March Panel Meeting.

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

ST asked for further feedback.

It was agreed to allocate a medium priority to the topic and discuss the topic further at future Workstream meetings.

Action 0102 was carried forward for further consideration at the Distribution Workstream.

4.0 AOB

4.1. Update from iGT Modification Panel

MCI confirmed that iGTs have been briefed of UNC Modification Proposals which could impact them however they have asked if this can be widened to all UNC Modifications. JM confirmed any iGT email addresses can be added to the Joint Office circulation lists if provided.

4.2. South Wales Offtake Errors

ST provided an update on the South Wales Offtake Error.

4.3. Re-Alignment of Failure to Interrupt Charges

PB provided a presentation which provided the background to a Proposal which will be raised to address an unintended consequence of DNPC03.

The options suggested were to reduce the multiplier, use twice the interruptible rate or the difference between the charge paid on the 01 October against the Firm Charge.

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.

5.0 Diary Planning for Workstream

Next Meetings:

Thursday 27 March 2008, 10:00, Elexon, 350 Euston Road, London

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: Carried Forward
Dis0101	24/01/08	2.2	All to provide views on UNC0192 to National Grid (CW).	All	Action: Closed
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: Carried Forward
DIS0201	28/02/08	2.1	All to consider the suggested 50% threshold for cost recovery – UNC0197.	All	Action: Pending
DIS0202	28/02/08	2.2	CW to confirm if late payments can be deferred.	National Grid (CW)	Action: Pending
DIS0203	28/02/08	2.2	All to provide MD with comments via email regarding UNC0201.	All	Action: Pending
DIS0204	28/02/08	2.4	All to further consider the appropriate Shipper resolution window for USRVs	All	Action: Pending
DIS0205	28/02/08	2.5	JO to produce Workstream Report 0196 for Panel.	Joint Office	Action: Pending
DIS0206	28/02/08	2.6	MD to amend Proposal 0199 & JO to create Workstream Report for Panel	British Gas (MD) & JO	Action: Pending
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: Pending