

Section 2.2 (3rd paragraph)

ST was happy with the cap at 2% [under the existing regime and the 2% within Modification Proposal 0141](#), however LW was not sure that the proposed 0.5% cap increase would cover the increased costs were this proposal to be implemented.

The Minutes of the previous meeting were then approved.

1.2. Review of Actions from April Distribution Workstream meeting

Dis0301: SN to investigate the possibility of reporting bypass activity for monthly read meters.

Action: Complete

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: PB confirmed that an agenda item has been raised on the Gas Forum I&C Code of Practice Meeting which is taking place next week

Action: Carried Forward

Dis0302: SH and Audit Sub-committee to consider Modification Proposal 0135.

Action Update: 0135 Modification Proposal withdrawn 13 June 2007

Action: Closed

Dis0402: VK to clarify the need for non UK companies to provide a new legal opinion when a Parent Company Guarantee is provided and Scottish companies sovereign credit rating.

Action: Complete

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 a response if not yet available however National Grid's Lawyers are undertaking a review.

Action: Carried Forward

Action Dis0402c: DNs to clarify their position on when a legal opinion was/was not required. CW to provide examples before the next meeting.

Action Update: ST and BD confirmed that they are waiting for a response from their Lawyers. CW commented that the Modification Proposal's Consultation should not be affected.

Action: Carried Forward

Dis0403: All to consider RbD Issues log and provide Ofgem with any additional issues.

Action: Complete

Action Dis0403b: Joint Office to write to Ofgem requesting an indication of when the RbD conclusions document could be expected.

Action Update: Email sent 30 May 2007. JD reported that Ofgem are considering the content of the document and assured the Workstream that work has been progressing.

Action: Complete

Dis0501x: Ofgem to provide the Joint Office with a further set of issues for all to respond to.

Action Update: Ofgem 0088 Consultation closed 08 June 2007. The Final Modification Report was provided for an Ofgem decision on 22 June 2007.

Action: Complete

Action Dis0502: EM to provide clarification on Modification Proposal 0141A as to whether EON were suggesting that the £20 charge (between 2 and 4 months) is removed or included.

Action Update: EM confirmed on 31 May 2007 that Modification 0141A is intending to keep the £20 charge for USRVs 2-4 months old.

Action: Complete

Action Dis0503: Ofgem to remind the iGTS that they are able to appoint a representative to the UNC Modification Panel.

Action Update: JB confirmed iGTs have been reminded.

Action: Complete

Action Dis0504: Joint Office to add 'Update from iGT Modification Panel' as a standing agenda item at future Distribution Workstream meetings.

Action Update: Item added to Agenda.

Action: Complete

1.3. Review of Live Modification Proposals and Topics Log

JM reviewed the Live Modification Proposals and Topics Log.

2.0 Modification Proposals

2.1. Proposal 0152/0152A: "Limitation on Retrospective Invoicing and Invoice Correction"

GW provided a brief explanation on the Modification Proposal.

JM advised that following the Panel's decision to send this Proposal to consultation with legal text, if further clarity was required in the Proposal to enable the text to be drafted, then this could be incorporated by use of a variation request. RCH confirmed that the Legal Text had been drafted which would provide clarity and that it has been supplied to British Gas Trading to review.

JD questioned if the Legal Text can be amended and used for Modification Proposal 0152A. RCH confirmed that the Legal Text could be easily adapted.

RS explained the rationale for raising alternate Modification Proposal 0152A as primarily taking into account statutory limitation, in order to mirror Statoil's contractual risks with customers.

SH questioned the likelihood of Statoil's risks materialising.

ST expressed concern about the possible misinterpretation of the Alternate Modification Proposal in terms of the quoted model duration i.e. 6 Years 365 days being a 6-7 Year model.

ST highlighted that the 0126 Review Group had not been able to agree with a preference for a 4-5 Year or 5-6 Year reconciliation period. He confirmed his intention to raise a further alternative Proposal to cover the 5-6 Year model.

Post Meeting Note: [0152B “Limitation on Retrospective Invoicing and Invoice Correction”](#) has been raised by Wales & West Utilities.

JD expressed an interest in understanding the impact on invoicing and invoice mismatching. CW agreed that National Grid would consider this within their representations.

RS questioned the justification for not choosing a hard cut-off instead of a rolling cut-off. ST confirmed this had been considered within the Review Group 0126, but that it unacceptably increased administrative complexity and cost.

2.2. Proposal 0155: “User Suppressed Reconciliation Values’ revised incentive arrangements”

GW provided a brief explanation on the Modification Proposal and the interaction with other Proposals.

MC expressed a concern with the timing of Proposal 0155 considering its relationship with Proposals 0141/0141A and 0152 and the effect of these.

GW suggested that the Workstream Report could be considered next month but in the mean time would appreciate feedback/discussions to further development the Modification Proposal.

MC suggested it may be more appropriate for British Gas Trading to consider a Review Proposal.

SH suggested that Ofgem may wish to provide a view on the possible value of incentives. However RS believed it more appropriate to consider the process and mechanisms before considering monetary values.

Action Dis0601: All to consider Modification Proposal 0155 and provide views for further discussion at July’s Distribution Workstream Meeting.

3.0 Topics

3.1. 014Dis, CSEP NExA agreements

JB confirmed a 3rd meeting had been held with Shippers, Transporters and iGTs on 27 June 2007 and that the next meeting is planned for the 01 August 2007. She confirmed that the intention was to circulate a copy of the NeXA agreement before the next meeting in order to facilitate consideration of both the arrangements and the document’s governance. JB highlighted that there are Shrinkage issues which need to be considered and that Kerri Matthews from National Grid will be producing a document for further consideration at that meeting.

CW confirmed that there are some quick fixes which can be achieved.

SN confirmed that a presentation will be provided at next months Distribution Workstream and also the Billing Operations Forum.

RCH questioned whether the iGTs get an allowance for Shrinkage. JD confirmed that there is a mechanism for managing Shrinkage.

3.1.1. Update from iGT Modification Panel

ST provided a brief update on the 2nd Meeting of the iGT Modification Panel. He confirmed that the Website <http://www.igt-unc.co.uk/> is now live and contains meeting documentation. He confirmed that two Modification Proposals have been raised but these have not yet been issued for consultation, he also confirmed that the iGT Modification Panel intend to undertake a review of their Modification Rules. The next iGT Panel Meeting will be the 3rd Wednesday in July and every month thereafter.

3.2. 018Dis, Charging for reconciliation quantities.

SH provided a Draft Modification Proposal and explained the rationale for the Proposal. SH suggested that if the Workstream have no major concerns with the Proposal he would submit it for consideration at the July Panel Meeting.

LW asked for some clarity within the Proposal as to whether it will be limited to significant errors only or if it would include all Large Supply Point reconciliation amounts.

LW highlighted that xoserve does not keep historical portfolio information for the purpose of historical smearing.

A discussion evolved on the extent of the Proposal's scope and which element of reconciliation should be included, energy or monetary, also, whether it should use a monthly market share for smearing.

The Workstream agreed further consideration needs to be given to the Proposal and it will be discussed at Julys' Meeting.

Action Dis0602: All to consider RWE's Draft Modification Proposal for further discussion at July's Distribution Workstream Meeting.

3.3. 021Dis, Individual Meter Point Reconciliation

MJ provided a presentation. Concern was expressed with the suggested aggressive timetable but the workstream acknowledged that an early indication of system requirements would be needed if xoserve were to consider it's inclusion in the UK Link replacement system due in 2012.

The scope of the proposal was also discussed and concern expressed at not considering it's implications on interrelated processes.

GW welcomed the inclusion of iGT meter points because of the expansion in number of them in the future.

The Workstream agreed further consideration is required and it would be discussed at July's Meeting.

3.4. 023Dis, Small Value Invoices

ST confirmed discussions have taken place but further consideration is required. ST invited views for next months meeting regarding writing off small value credits and debits and what this amount should be.

Action Dis0603: All Shippers to consider if small value credits and debits should be written off and if so, what the value should be limited to.

3.5. Any New topics

None

4.0 AOB

CH wished to raise a question relating to Shrinkage and Proposal 0116V. CW confirmed that he would ask Mark Freeman to contact CH to discuss his concerns.

5.0 Diary Planning for Workstream

Next Meetings:

Thursday 26 July 2007, 10:00 at Elexon, 350 Euston Road, London

Thursday 23 August 2007, 10:00 at Elexon, 350 Euston Road, London

Thursday 27 September 2007, 10:00 at Elexon, 350 Euston Road, London

Thursday 25 October 2007, 10:00 Solihull location to be confirmed

Thursday 22 November 2007, 10:00 at Elexon, 350 Euston Road, London

Thursday 24 January 2008, 10:00 Solihull location to be confirmed

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0301	22/03/07	2.1	SN to investigate the possibility of reporting bypass activity for monthly read meters	xoserve (SN)	Action: Complete
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
Dis0302	22/03/07	2.2	SH and Audit Sub-committee to consider Modification Proposal 0135 - update on progress.	RWE npower (SH) and Audit Sub-committee members	Action: Complete
Dis0402	26/04/07	4.1	VK to clarify the need for non UK companies to provide a new legal opinion when a Parent Company Guarantee is provided and Scottish companies sovereign credit rating.	National Grid (VK)	Action: Complete
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: Carried Forward
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 DN's National Grid (CW)	Action: Carried Forward
Dis0403	26/04/07	4.2	All to consider RbD Issues log and provide Ofgem with any additional issues	All	Action: Complete
Dis0403b	24/05/07	1.2	Joint Office to write to Ofgem requesting an indication of when the RbD conclusions document could be expected.	Joint Office (TD)	Action: Complete
Dis0501 X	08/05/07	2.0	Ofgem to provide the Joint Office with a further set of 0088 issues for all to respond to.	All	Action: Complete
Dis0502	24/05/07	2.2	EM to provide clarification on Modification Proposal 0141A as to whether EON were suggesting that the £20 charge (between 2 and 4 months) is removed or included.	E.ON (EM)	Action: Complete

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0503	24/05/07	3.0	Ofgem to remind the iGTS that they are able to appoint a representative to the UNC Modification Panel.	Ofgem (JB)	Action: Complete
Dis0504	24/05/07	3.0	Joint Office to add 'Update from iGT Modification Panel' as a standing agenda item at future Distribution Workstream meetings.	Joint Office (HC)	Action: Complete
Dis0601	28/06/07	2.2	All to consider Modification Proposal 0155 and provide views for further discussion at July's Distribution Workstream Meeting.	All	Action: Pending
Dis0602	28/06/07	3.2	All to consider RWE's draft Modification Proposal for further discussion at July's Distribution Workstream Meeting.	All	Action: Pending
Dis0603	28/06/07	3.4	All Shippers to consider if small value credits and debits should be written off and if so what the value should be limited to.	All Shippers	Action: Pending