

Minutes of UNC Workgroup 0369
Re-establishment of Supply Meter Points – measures to address
shipperless sites
Friday 13 May 2010
31 Homer Road, Solihull, B91 3LT

Attendees

Bob Fletcher (Chair)	BF	Joint Office
Lorna Dupont (Secretary)	LD	Joint Office
Alex Ross	AR	Northern Gas Networks
Alison Jennings	AJ	Xoserve
Andrew Wallace*	AW	Ofgem
Brian Durber	BD	E.ON UK
Chris Warner	CW	National Grid Distribution
David Watson*	DW	British Gas
Gareth Evans*	GE	Waters Wye Associates
Joel Martin*	JM	Scotia Gas Networks
Mark Woodward	MW	Xoserve
Sasha Pearce	SP	RWE Npower
Sharon Broadley	SB	ScottishPower
Steve Mulinganie	SG	Gazprom

* *via teleconference*

1. Introduction and Status Review

1.1. Review of Minutes of the previous Meeting

The minutes were approved.

1.2. Review of Actions

0001: National Grid to provide an Engineering interpretation for each different meter/supply point status.

Update: Covered within discussions at 2, below. **Action closed**

0002: Xoserve to provide clarification on what each meter/supply point status drives, eg GSR cut offs.

Update: Provided. **Action closed**

0003: Ofgem to clarify the costs that can be recovered by a Supplier under Licence (including deemed contracts) and whether this is restricted.

Update: Following the previous meeting BD had provided further clarity to AW regarding the questions on what charges a supplier can legitimately recover from a customer on a deemed contract basis. AW had looked at the questions and addressed in more detail:

(1) what charges could be recovered under a deemed contract on a shipperless site

- Where a meter is in situ and there is no actual physical break in supply it was concluded that a customer could only be charged under their contractual basis; there was no scope to recover any investigation charges.
- Disconnection but meter found in situ and an illegal reconnection has taken place – it was concluded that a supplier could recover charges for consumption and because of the offence there was scope for collection of other charges.

(2) when a deemed contract may or may not arise

- where gas flowed it may arise
- where there is no evidence that gas flowed, there was no scope to recover charges from the customer.

Picking up on the last point GE said that this had been discussed at ICOSS and members did not hold the same view on this as Ofgem, and referred to recent case law (approved judgement - Keenan v British Gas Trading). DW believed that British Gas' view was in line with Ofgem's at present but would like more details regarding the case mentioned by GE. SM added that it was ICOSS' intention to write to Ofgem referring to that particular case interpretation and ruling. **Action closed**

New Action 0005: Deemed Contracts - Details of the Approved Judgement regarding Keenan v British Gas Trading to be provided for circulation.

Post Meeting Note: *Provided and published on Joint Office website following this meeting. Action closed*

0004: Xoserve to provide a breakdown of the current 96 Shipperless sites greater than 73,201kWhs into age of meter and AQ.

Update: AJ reported that these would be provided for publication shortly. **Action carried forward**

2. Discussion

Process Flows

In response to Action 0002 AJ gave a presentation and described the process flows; Capped and Clamped carry the same meaning within Xoserve systems.

The process flows were discussed in greater detail. It was pointed out that under 0675 a Shipper that isolates and withdraws is required to disconnect and remove the meter (and send in an RE notification once disconnected); if this is not done then the DN will disable the supply after 12 months and make a charge for doing so. Details of the actions were discussed, steps were clarified and those missing on the flow chart were identified and noted.

Looking ahead to Smart metering, SM wondered where a remotely operated valve might sit within the process, and also what the impacts might be in respect of a customer owned meter where the Shipper had no right to remove from site as it was the customer's property. Who was responsible if the customer reconnects his own meter unbeknownst to the withdrawing/isolating Shipper? Who has recourse if the supply contract has been terminated? Shippers' remedies are quite clearly limited in certain circumstances. CW believed the MAMCOP Engineering Board should consider these future scenarios; definitions should be clarified and consequences recognised and reviewed. MW added that there might be many issues arising in the future related to Smart metering because 100% isolation could not be guaranteed if performed remotely via the meter. BD suggested that it might be considered as an 'interruption of supply' rather than disconnection. BF pointed out that many different

aspects of legislation overseen by various bodies would require updating in relation to Smart metering and the picture had yet to be completed.

Although happy to look at how isolation might work in the area of Smart metering at some stage, CW pointed out that the concept of a remote switch off was outside the scope of this particular modification. It was concluded that the operation of a remotely controlled valve did not give sufficient confidence to change to capped/clamped/removed status on the systems; the remote operation of a valve would not meet the current GSR legislative requirements. Smart meters were not contemplated by the UNC or MAMCOP and further work will be required to address any issues or impacts that might arise. Attribution of the status of RE requires the physical disconnection of the supply/meter. Capping refers to the action taken in respect of the spring cap.

CW explained various definitions and obligations relating to isolations and withdrawals. Isolation stops the receipt of commodity and energy charges; withdrawal stops the capacity charges; removed means a physical break in the supply. BD questioned how re-registering might work, and how the status could be reset to live.

CW pointed out that within 12 months of setting to Clamped or Withdrawn status a Shipper is obligated to proceed to physical disconnection as set out in UNC TPD G3.8.1. Physical separation is the key factor and is the expectation that Network has on making a visit. If this is not done within the 12 months then the costs of any subsequent disconnection work, incurred by the Network to discharge the Shipper's obligation, will be recovered from the Shipper. CW emphasised that it was designed always to end up in a 'safe' position.

Action 0006: Isolations/withdrawals/removals - Revise the processes to reflect discussions and add clarity, and reissue.

Draft Legal Text

CW explained the changes made and these were considered and discussed.

TPD G3.7.4 – SM questioned whether '....such gas is capable of offtaken ...' should be included and suggested that '....evidenced by an advance in the reading' Might be more appropriate. CW noted this for discussion with the lawyers.

TPD G3.7.5 – The use of 'ab initio', rather than plain English, was questioned.

TPD G3.7.5(b)(ii) – Removal of the words 'be required to... ' was suggested.

TPD G3.7.8 – SM suggested that the obligation was to tell the Shipper 'forthwith'. Automatically re-registering means that a Shipper will have to consider appointing service providers. There needs to be an acceptable appropriate process in place to minimise costs; if the customer has gone to another supplier they should re-register. Broker contracts and legacies might give cause for concern. AJ believed that offline adjustments would have to be made but processes have yet to be looked at detail. The legacy Shipper would be liable until the point at which the new Shipper registers the site. Offline adjustments might be required to a number of processes, including billing arrangements, depending on the information provided and the timing, etc.

SM referred again to the customer owned meter scenario, whereby a Shipper was exposed to higher risk. CW responded that he would not be varying the modification, and suggested that SM might like to draw attention to any concerns in his representation made in response to the consultation. SM indicated that he would consider raising an alternative modification. BF asked for Ofgem's views; making reference to the Gas Act and Ofgem's interpretation of this, AW indicated that it would be a deemed contract with the previous supplier. This was followed by a brief

discussion relating to theft of gas and various parties' responsibilities. It was suggested that more clarity and understanding was required in respect of various responsibilities.

Action 0007: Ofgem to clarify positions of responsibility in relation to consumer owned meters.

DW raised a concern regarding the potential for creation of duplicates. AJ responded that Shippers should be using the correct process to address/remove any duplicates; this was in ConQuest. If using the withdrawal flow rather than the DUP flow there was a potential for customers to receive two bills. Nether AJ nor CW believed this was a Code issue, and it had to be assumed that Shippers would not misuse the system/process.

Next Steps

CW confirmed that he would be raising a Change Order with Xoserve, and revising the legal text in light of suggestions made.

AJ confirmed that she would produce a revised process for review.

3. Any Other Business

None raised.

4. Diary Planning for Workgroup

At the next meeting it was agreed that the Workgroup would:

- Review the draft of the new process
- Reconsider deemed contracts in respect of customer owned meters
- Review revised legal text
- Commence the Workgroup Report.

The next meeting will take place at:

13:00, 08 June 2011, at 31 Homer Road, Solihull, B91 3LT

ACTION LOG – Workgroup 0369

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0001	06/04/11	2.0	National Grid to provide an Engineering interpretation for each different meter/supply point status.	National Grid (CW)	Closed
0002	06/04/11	2.0	Xoserve to provide clarification on what each meter/supply point status drives e.g. GSR cut offs.	Xoserve (AJ)	Closed
0003	06/04/11	2.0	Ofgem to clarify the costs that can be recovered by a Supplier under Licence (including deemed contracts) and whether this is restricted.	Ofgem (AW)	Closed
0004	06/04/11	2.0	Xoserve to provide a breakdown of the current 96 Shipperless sites greater than 73,201kWh into age of meter and AQ.	Xoserve (AJ)	Carried forward
0005	13/05/11	1.2	Deemed Contracts - Details of the Approved Judgement regarding Keenan v British Gas Trading to be provided for circulation.	Waters Wye (GE)	<i>Provided following this meeting.</i> Closed
0006	13/05/11	2.0	Isolations/withdrawals/removals - Revise the processes to reflect discussions and add clarity, and reissue.	Xoserve (AJ)	
0007	13/05/11	2.0	Clarify positions of responsibility in relation to consumer owned meters.	Ofgem (AW)	