

**UNC Workgroup 0379 Minutes
Provision for an AQ Review Audit
Thursday 22 December 2011
at 31 Homer Road, Solihull, B90 1LF**

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Andy Clasper	(AC)	National Grid Distribution
Anne Jackson	(AJ)	SSE
Chris Warner	(CW)	National Grid Distribution
David Addison	(DA)	Xoserve
Emma Smith	(ES)	Xoserve
Ed Hunter	(EH)	RWE npower
Erika Melén	(EM)	Scotia Gas Networks
George Glenn*	(GG)	Scottish Power
Graham Wood*	(GW)	British Gas
Joanna Ferguson	(JF)	Northern Gas Networks
Joel Martin	(JM)	Scotia Gas Networks
Marie Clarke*	(MC)	Scottish Power
Steve Mulinganie	(SM)	Gazprom
Sue Prosser	(SP)	Xoserve
Tabish Khan	(TK)	Ofgem
Wayne Hodgkins	(WH)	Shell

**denotes teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0379/221211>

1. Review of Minutes and Actions**1.1 Minutes**

The minutes of the previous meeting were accepted.

1.2 Actions

1201: Wales & West Utilities to provide 0379 and 0379A Legal Text for consideration on 22 December 2011.

Update: Legal Text awaited. **Carried Forward.**

2. Workgroup Report

BF confirmed that the Panel had granted an extension to the reporting date to March 2012.

GG confirmed the modification had been amended to include the business rules.

TK questioned within the modification that there appeared to be role for Ofgem but this was not mentioned within the business rules, he wished to understand Ofgem's involvement. GG explained that the results would be passed onto Ofgem referring to business rule 17.

DA highlighted that there were some discrepancies between the summary and the remainder of the modification. He believed that previous discussions about the

appointment of auditors and the conflict of interest had not been reflected within the amended modification. He believed the rules needed to be re-examined. GG agreed this was an oversight and that the business rules would be reviewed and amended.

DA enquired about the application of the 85% measure and whether there would be any dispensation for suppliers with a rapidly increasing portfolio. Xoserve were keen to have no ambiguity within the business rules. GG was keen to discuss these elements with Xoserve.

TK questioned the use of the 85% threshold and whether a risk based approach had been considered, he highlighted that 1% for British Gas would be much bigger than 1% for a smaller shipper. He challenged whether the target could be based on the risk to the market based on portfolio size and the required allocation of resources. He suggested that the materiality of the impact could be based on the number of supply points and the level of consumption. TK expressed that Ofgem would prefer a risk based solution. GG agreed to consider to comments.

TK enquired about the £20 charge and if the incentive will work for both SSP and LSP when comparing the revenues for individual meter points, he wondered if there ought to be a banding which could reflect actual site revenue. GG was concerned about the level of complexity using a banding and the additional costs for Xoserve. DA believed banding would be manageable, however to assess the complexity of banding Xoserve would need to understand how this would work within the business rules.

SM questioned the approval of the auditor list by UNCC, how they would manage any liability. It was agreed that previous discussions concluded that the UNCC would not be involved in the process and there would be no submission of recommended auditors by UNC parties.

GW confirmed British Gas's intention to draft the business rules for Modification 0379 in January in time for the January Workgroup meeting.

3. Any Other Business

None raised.

4. Diary Planning for Workgroup

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

The next meeting of the Workgroup will take place within the business proceedings of the Distribution Workgroup, on Thursday on 26 January 2012, 31 Homer Road, Solihull, B91 3LT.

Workgroup - Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1201	05/12/11	2.0	Wales & West Utilities to provide 0379 and 0379A Legal Text for consideration on 22 December 2011.	Wales & West Utilities (ST)	Carried Forward