

**UNC Workgroup 0379/0379A Minutes
Provision for an AQ Review Audit
Monday 10 October 2011
at 31 Homer Road, Solihull B91 3LT**

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(TD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alison Jennings	(AJe)	Xoserve
Andy Miller	(AM)	Xoserve
Anne Jackson	(AJ)	SSE
Brian Durber	(BD)	E.ON UK
Chris Warner	(CW)	National Grid Distribution
David Addison	(DA)	Xoserve
David Watson	(DW)	Britihs Gas
Gareth Evans	(GE)	Waters Wye
Joanna Ferguson	(JF)	Northern Gas Networks
Karen Kennedy	(KK)	ScottishPower
Linda Whitcroft	(LW)	Xoserve
Mark Jones	(MJ)	SSE
Sasha Pearce	(SP)	RWE npower
Simon Trivella	(ST)	Wales & West Utilities
Stefan Leedham	(SL)	EDF Energy
Steve Mulinganie	(SM)	Gazprom
Sue Prosser	(SP)	Xoserve
Tabish Khan	(TK)	Ofgem

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0379/101011>.

1. Introduction and Status Review**1.1 Review of Minutes of the previous meeting**

The minutes of the previous meeting were accepted.

1.2 Review of Actions

0702: Consider specific reasons why an LSP site would have less chance of calculating an AQ than an SSP site.

Update: SM believed that where the data is out of the supplier's control, it might cause some issues with calculating the AQ. DW believed this was an historical issue as Modification 0279 allows the provision of information. AM confirmed that Modification 0279 allows the provision of historical meter asset data. However, he highlighted that this is currently provided on an annual basis. He suggested that this could be requested on a monthly basis and he would be happy to assist with a modification to allow the provision of a report on a monthly rather than annually basis. Nevertheless it was recognised that the calculations still need to be undertaken and the performance of a previous supplier could impact on a new supplier's performance. SM was keen to consider the impacts that could affect supplier's performance. It was suggested that evidence would need to be provided to demonstrate such a statement.

LW confirmed that there is a report that may assist and endeavoured to provide further information. **Carried Forward**

0703: ICOSS to report back on their market and formally respond, quantifying the scale of any issues.

Update: Further consideration required item deferred until the next meeting.
Carried Forward

0705: 5 year grace period - Produce examples and an illustrative timeline to clarify the application to new and established Users.

Update: KK confirmed that whilst she had provided the timeline information she had not yet provided any working examples. **Carried Forward**

0901: Scottish Power & Xoserve (KK&LW) to investigate what possible meter status exclusions would/could be required and what high-level descriptions/categories attract capacity charges.

Update: KK confirmed that Xoserve are doing some work on the potential exclusions and suggested that this item was deferred until the next meeting. LW explained that this information albeit late is available. **Carried Forward**

2. Discussion

AM provided a presentation on Xoserve's view on modifications 0379 and 0379A. He provided some suggested next steps for consideration by the Workgroup and asked the Workgroup to be mindful on the life span of this modification, particularly with consideration of a periodic AQ Review. It was recognised that a set of guidelines would need to be drawn up to support selection of an auditor and the scope of the audit. AM suggested that the modification would need a six-month procurement process.

AM confirmed that the scope of the audit work needs to be clear, possibly with a guidelines documents, to bolt down what needs to be procured.

AR suggested that the auditor might be tasked with assessing compliance. The Workgroup considered the materiality and who should interpret the findings and make a judgement on compliance.

It was acknowledged that the cap for meter reads could result in the provision of every second meter read. It was questioned if a penalty should be levied if parties are still compliant with the UNC. DW explained that the audit would have to demonstrate a breach of code to levy a penalty. GE questioned who would be provided with the evidence; he was particularly concerned about any right of appeal. DW did confirm he would re-consider the appeal mechanism. He was aware that the current modification does not allow an appeal process and he was aware that this could result in court action.

KK believed this modification could still work with a periodic AQ Review process.

LW explained that an audit on the AQ Review process based on an 85% rule might indicate a Shipper is achieving 85% performance rate but this may not take into account that the same number of sites are not being calculated. She suggested the performance ought to be turned around to consider the sites that don't calculate, as there would be no visibility of the sites that are not calculated year on year.

It was suggested that the worse performers ought to be audited.

The Workgroup considered the draft Workgroup Report and agreed to review the report again at the next 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 27 October 2011, 31 Homer Road, Solihull, B91 3LT.

Action Log - Workgroup 0379

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
0379 0702	28/07/11	2	Consider specific reasons why an LSP site would have less chance of calculating an AQ than an SSP site.	Shippers (All)	Carried Forward
0379 0703	28/07/11	2	ICOSS to report back on their market and formally respond, quantifying the scale of any issues.	ICOSS (SM & GE)	Carried Forward
0379 0705	28/07/11	2	5 year grace period - Produce examples and an illustrative timeline to clarify the application to new and established Users.	Scottish Power (KK)	Carried Forward
0379 0901	22/10/11	1.2	Investigate what possible meter status exclusions would/could be required and what high-level descriptions/categories attract capacity charges	ScottishPower & Xoserve (KK & LW)	Carried Forward