

**UNC Workgroup 0379 Minutes
Provision for an AQ Review Audit
Thursday 24 May 2012
at ENA, 52 Horseferry Road, London SW1P 2AF**

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alex Ross*	(ARo)	Northern Gas Networks
Alison Jennings	(AJ)	Xoserve
Andrew Green	(AG)	Total
Andrew Margan	(AM)	British Gas
Brian Durber	(BD)	E.ON UK
Cesar Coelho	(CC)	Ofgem
Chris Warner	(CW)	National Grid Distribution
David Addison	(DA)	Xoserve
Edward Hunter	(EH)	RWE npower
Elaine Carr	(EC)	ScottishPower
Erika Melèn	(EM)	Scotia Gas Networks
Harpal Bansal	(HB)	Ofgem
Lisa Waters*	(LW)	WatersWye
Lorna Lewin	(LL)	DONG Energy
Marie Clarke	(MC)	Scottish Power
Mark Jones	(MJ)	SSE
Richard Street	(RS)	Corona Energy
Rob Cameron-Higgs*	(RCH)	Wales & West Utilities
Stefan Leedham	(SL)	EDF Energy
Steve Mulinganie	(SM)	Gazprom
Tim Davis	(TD)	Joint Office

* *by teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0379/240512>

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

The minutes of the previous meeting were accepted.

1.2 Actions

0301: British Gas (AM) to consider alternatives to those supplying less than 50,000 meter points being excluded from the scope of audits, and provide a justification for the proposed threshold.

Update: AM indicated that the proposed scope had been reconsidered and an assurance framework for the LSP sector will not form part of this modification. The scope had been set to exclude I&C only Shippers. **Closed.**

2. Business Rules

AM ran through the changes made to the modification, which reflect the views expressed at Workgroup meetings and the Business Rules as revised during those meetings.

CC questioned the proposed thresholds and wanted to understand why they had been chosen rather than others. AM said they were selected to reflect Shippers supplying SSPs but to also exclude suppliers that only supply a few SSPs. A 50,000 supply point limit would ensure that primarily I&C Shippers are excluded. RS asked why 250,00 had not been selected, being the trigger used elsewhere. AM said the intent was primarily to exclude I&C Shippers and 50,000 is sufficient to meet this ambition.

MC questioned why only SSPs were being considered. AM explained this was to ensure any assessment would be comparing like with like, although he saw a case for addressing LSPs through a separate modification.

RS questioned the use of an average as the trigger, which he felt is more likely to be triggered by smaller rather than larger suppliers – with the absolute number of supply points involved being higher for the larger supplier and the impact on the industry being greater, despite the average not triggering an audit.

SL questioned how the triggers were selected and why they were used rather than others - any justification of these would be helpful. RS added that perhaps the scale of audit might also be set to be proportionate to the value at risk, and so not impinge unduly on smaller suppliers. AM felt a list of approved auditors should assist with this, and that the intention was for a proportionate response.

MC asked if reductions in AQ during the year would be considered. AM responded that the modification is looking at the amendments process. However, SL said that Trigger 1 did not look solely at the amendments process – which is an example of why EDF would like to see an explanation for the triggers selected.

AM invited final comments on the modification with a view to finalising the assessment process.

3. Legal Text

RCH indicated that preparation of revised legal text is at an advanced stage and is expected to be available shortly.

4. Any Other Business

None raised.

5. Diary Planning for Workgroup

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

The next meeting will take place within the Distribution Workgroup on:

Thursday 28 June 2012, 10:30, ENA, 52 Horseferry Road, London SW1P 2AF

Workgroup 0379 – Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0301	22/03/12	2	British Gas to consider alternatives to those supplying less than 50,000 meter points being excluded from the scope of audits, and provide a justification for the proposed threshold	British Gas (AM)	Closed