

UNC Workgroup 0396 Minutes
EU Third package: Three week switching
Wednesday 07 September 2011
31 Homer Road, Solihull, B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HC)	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
Darren Lindsey	(DL)	E.ON UK
David Watson	(DW)	British Gas
Emma Smith	(ES)	Xoserve
Gareth Evans	(GE)	Waterswye
Joel Martin	(JM)	Scotia Gas Networks
Karen Kennedy	(KK)	Scottish Power
Linda Whitcroft	(LW)	Xoserve
Lisa Harris	(LH)	Shell
Mark Jones	(MJ)	SSE
Mark Woodward	(MW)	Xoserve
Martin Brandt	(MB)	SSE
Nick King	(NK)	National Grid Commercial
Sasha Pearce	(SP)	RWE npower
Simon Trivella	(ST)	Wales & West Utilities
Sue Prosser	(SP)	Xoserve

Copies of all papers are available at www.gasgovernance.co.uk/0396/070911

1.0 Introduction

BF introduced the Workgroup.

2.0 Outline of Modification

BD introduced the modification, explaining the background and intent.

AW wondered if a reference ought to be made in relation to the Gas Transporter requirement to facilitate any improvements with the switch process which is due to be released within the draft licence requirements.

It was suggested that it would be useful to set out the work that has been considered within previous Workgroup Meetings under Issue ISS020 – Third Energy Package. It was agreed that this would be worthwhile within the Workgroup Report

AW asked for clarification within the modification that most transfers can take place within 21 days and its only when two or more bank holidays occur within a transfer period that a 21 day transfer may not be possible. AW believed the modification suggested a much more bleak picture that it actually is.

MB asked if clarification can be made to any reference to days, this should be calendar days in terms of transferring.

ST asked about the funding of the change and allowed revenue it was suggested that this could be funded through the miscellaneous pass-through through which needs Ofgem approval.

Action 0001: Ofgem to consider if the funding for the change could be made through a miscellaneous pass through of costs.

DL provided a bank holiday timeline to illustrate typical transfer timescales around bank holidays. He acknowledged that there may be potential issues around the opening read window and how this may be managed internally by Shippers. It was noted that 88% of transfers are never objected to but those that are objected too are through an automated process.

DW highlighted that a reduction in the objection window may increase the number of erroneous transfers. He reported that British Gas is undertaking some modelling to understand the impacts, which will be shared with the Workgroup.

LH pointed out that the objection resolution window may not allow enough time for customers to pay any debts and allow a transfer to proceed where the outgoing Shipper has objected.

AW was keen to understand and include the impacts within the Workgroup Report.

MB was particularly concerned with the potential for significant increases in erroneous transfers particularly for customers who wish to use the 14 days cooling off period. MB explained the process whereby a withdrawal notice is effectively sent to the customer to confirm the transfer and that the outgoing Shipper may send a letter about the transfer, this may prompt contact from the Customer with the outgoing Shipper.

AW was keen to understand if there were any potential alternatives particularly as time is marching on and any alternative now wouldn't be considered until the October Panel.

AJ explained a cost estimate had been considered on the reduction in the confirmation window and the cost estimate is not likely to change significantly if the solution is proposing changing the days either end of the process.

DW asked about the percentage of acquisitions that the process would affect and asked if a process needs to be built for 100% compliance. AW explained that within a contract a Shipper will be obligated to offer a transfer within 3 weeks and within the licence there will be an obligation for reasonable endeavours to ensure a transfer meets this timescale. DW asked if Ofgem are expecting a process, which would ensure 100% of transfers or if 99.5% would be acceptable. AW expressed that if two alternatives were proposed one with a 100% and one with 99.5% with the impacts, costs and benefits these would be considered to determine which modification would be best to implement.

BF explained that a Workgroup Report would need to be completed by 04 November 2011 to be in time for the November Panel.

AJ wondered if the other options would like to be reconsidered. She explained that Xoserve analysis indicated 5 days was the minimum Confirmation Window

that Gemini could cope with and a 3 day objection window would be the minimum.

AJ asked if the different options could be re-published for consideration at the next meeting. It was understood that the options were considered and a matrix collated with the pros and cons of some of the options. AJ did highlight some of the options had a manual work around which may need to be reconsidered.

Action 0002: Joint Office to publish the Third Energy Package options matrix.

MB was keen for UK Link experts to become involved with the development of this modification to understand the Shipper system impacts.

Action 0003: Shippers to ensure System experts where necessary attend future meetings.

3.0 Consider Terms of Reference

No further comments were received on the Terms of Reference.

4.0 Any Other Business

None raised.

5.0 Diary Planning for Review Group

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 22 September 2011, at Elexon, 350 Euston Road, London NW1 3AW.

ACTION LOG – Workgroup 0396

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0396 0001	07/09/11	2.0	Ofgem to consider if the funding for the change could be made through a miscellaneous pass through of costs.	Ofgem (AW)	Pending
0396 0002	07/09/11	2.0	Joint Office to publish the Third Energy Package options matrix.	Joint Office	Pending
0396 0003	07/09/11	2.0	Shippers to ensure System experts where necessary attend future meetings.	Shippers	Pending