

UNC Workgroup 0410/0410A Minutes Responsibility for gas off-taken at Unregistered Sites following New Network Connections

Thursday 28 February 2013

at ENA, 52 Horseferry Road, London SW1P 2AF

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	(MB)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid Distribution
Alex Ross-Shaw*	(ARS)	Northern Gas Networks
Amie Charalambous	(AC)	RWE npower
Anne Jackson	(AJ)	SSE
Andrew Green	(AG)	Total Gas & Power
Andrew Margan	(AM)	British Gas
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Dave Corby	(DC)	National Grid NTS
David Addison	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
Erika Melén	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye Associates
Lorna Lewin	(LL)	DONG Energy
Louise Boccancini	(LB)	Squire Energy
Marie Clark	(MC)	ScottishPower
Naomi Anderson	(NA)	EDF Energy
Phil Broom	(PB)	GDF Suez
Robert Cameron-Higgs	(RCH)	Wales & West Utilities
Steve Mullinganie	(SM)	Gazprom

* *via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0410/280213>

The Workgroup Report is due to be presented to the UNC Modification Panel on 18 April 2013.

1. Review of Minutes and Actions from previous meeting

1.1. Minutes

The minutes of the previous meeting were accepted.

1.2. Actions

1101: *Ownership of/responsibility for 'neutrality pot'* - National Grid NTS to elucidate its concerns and provide a view to Ofgem as to why it thinks the Licence is directly impacted.

Update: DC once again reported that it was not possible to complete the action without access to the (draft) legal text and that an update will be provided once it is available. AG was concerned that draft text was not available as he was aware it had been circulated for comments previously. **Carried Forward**

0101: Northern Gas Networks to provide the draft legal text to National Grid NTS to review and conclude action 1101.

Update: Linked to Action 0410 1101 above.

AR explained that discussions around production of the legal text are ongoing between Northern Gas Networks and Xoserve to resolve some outstanding issues and that he is hopeful that a copy of the (draft) legal text can be provided quickly thereafter. Expanding, DA advised that NGN's main areas of concern centred on the confirmations and site visit aspects. He believes that NGN are now reasonably happy to refer the matter to their legal team to go ahead and prepare the text.

When asked, BF confirmed that provision of legal text had been requested by the 20 December 2012 Panel, although the NGN representative had subsequently informed Panel of their issues relating to the modification and its legal text – several parties voiced their grave concerns surrounding the delay in the provision of the legal text, suggesting that this potentially undermines the whole UNC modification process. Parties very briefly discussed whether or not, this justifies the argument for a central independent legal text provision (via the Joint Office perhaps), although views remained polarised as to whether or not this would be a practical and workable approach, as it does not necessarily mean that legal text preparation would improve. It was pointed out that such matters fall outside the remit of this Workgroup and would perhaps be better served being raised as a Governance Workgroup issue for discussion.

In looking to close the discussion, BF suggested that NGN (AR) should contact the Proposer (AG for Total Gas & Power) and Proposers Representative (GE for Waters Wye Associates) outside of this meeting to seek to resolve their issues and concerns with the modification, especially when baring in mind, that only the Proposer can amend the modification - AR was asked to provide an update thereafter on any outstanding NGN issues and concerns in advance of the 06 March 2013 Distribution Workgroup meeting so that all parties would have sufficient time to consider prior to the meeting itself.

A new action was placed against NGN (AR) to provide a progress update on the provision of the legal text for modification 0410, including a date for when the text would be available, and if not, an explanation as to why not, plus an indication of any outstanding issues and concerns that NGN may have at the 06 March 2013 Distribution Workgroup meeting.

Carried Forward

0102: All Workgroup Members to analyse to the extent that Modifications 0410 and 0410A are exclusive and could be decoupled.

Update: BF advised that the Panel remains of the view that these two modifications should be kept together – a view supported by the Workgroup. **Closed**

0103: Scotia Gas Networks to provide more information on a new MPRN creation process at the February meeting.

Update: EM provided an update, see item 2.0. **Closed**

2. Discussion

EM provided a brief overview (on behalf of all the DNs) of the 'Energy Networks Association – Root cause solution for unregistered sites / MPRN creation' presentation whilst advising that she also intends to make the same presentation to the Shipperless and Unregistered Sites Workgroup meeting scheduled to take place on Friday 15 March 2013.

In considering the (7) responses, EM advised that she thinks that the breakdown is roughly 1x DN, 1x iGT, 1x MAM and 2x UIPs and furthermore she would look to publishing the responses on the ENA web site in due course (subject to no confidentiality issues). BF suggested that the low count could reflect industry wide workloads and resourcing constraints.

Moving on to look at the concerns raised (slide 4) in responses, debate focused on whether or not developers are in a position to potentially 'play fast and loose' as far as the I&C Connections are concerned, and that ultimately, the issues boil down to commercial risk and associated decisions, although some parties felt that a different solution may be possible. It was noted that as far as the multi meter point development concern, iGTs already undertake

a similar process, which begs the question as to why UIPs believe there may be a problem. GE suggested that with regard to the anti competitive points are concerned, he believes that in previous meetings a solution was proposed that could allay these concerns – EM agreed to source the statement and add to the presentation to provide further clarity to this matter. LB provided a brief explanation as to how the UIPs believe their market positions differ to the likes of the ‘big six’ Shippers/Suppliers which are reflected in the UIPs concerns around competition aspects. Responding, SM suggested that the key issue relates to access to the supply service on a fair basis – in his view parties would need to clearly demonstrate that the activities of others have impacted and unfairly disadvantaged them, especially as he remains of the opinion that Modification 0410 protects the UIPs potential commercial exposure due to the fact that the Transporters provide the MPRNs and are therefore responsible for any associated energy loss. This was not a universally supported view however, as some believe that regardless of who issues the MPRN, Suppliers still have the potential the ‘hijack’ the process. SM suggested that one option could be for the UIPs and Transporters to enter into suitable contractual arrangements which could potentially ‘back off’ UIPs commercial risks and that furthermore, UIPs would also need to consider putting in place commercial arrangements between themselves and their respective developers. CB questioned why the gas market could not adopt a similar model to the electricity one to alleviate some of these concerns. In considering the placing of obligations on the MAMs to only fit a meter when a supply contract is in place, GE believed that this is already covered by a UNC/Gas Act Shipper obligation – reference UNC TPDG paragraph 7.3.3.

Moving on to consider the ‘Unregistered Site – Root Cause Solution Measures’ (commencing on slide 7), GE questioned whether or not having smaller controlled batches would actually resolve the issue and believes that more detailed consideration around the generation of duplicates is needed. Responding, EM indicated that she would be more than happy to discuss validation requirement with Xoserve going forward. SM suggested that there could be benefit in the Workgroup also considering liabilities and incentives associated with ensuring the adoption of good behavioural practises. AJ suggested that one potential issue relates to customers expect their Suppliers to adopt the meter even after they (the customer) have gone direct to the MAMs in the first place. Asked whether or not, the UIPs may install meters in the absence of a Supplier, LB suggested that whilst this is not a common practise, it does depend on the role of the UIP concerned and whether they have been employed to provide the service. AR wondered if the focus is really on meters being installed in an unmanaged way. Responding, SM suggested that adoption of a process whereby contractual arrangements are in place at each stage of the process, should incentivise appropriate behaviours. In considering utilising a short dated batches approach, it was noted that whilst this ensures that MPRNs are applied to a pipe in the ground, there are concerns around potential customer delays. Asked whether or not the UIPs need a MPRN before they physically fit the meter, AJ advised that trigger relates to whether the (service) pipe is live or not. In noting the concerns being voiced, EM agreed to give further consideration to the timings associated with MPRN creation and potential allocation impacts.

Moving on to consider point 4, it was suggested that further discussion around the MAMCoP obligations, especially provision of evidence and the adoption of suitable incentives to stop gas being taken where NO supply contract is in place, is needed – it is believed that the matter resides under SPAA governance (as the information is contained within the Lloyds Register of MAMs).

When asked, EM indicated that whilst she expects that these business rules would take the form of a UNC Ancillary Document, she believes that a modification would be required to reference the document thereafter.

In closing, it was agreed to raise a new (Distribution/0410 Workgroup) issue to ensure that the matter is tracked correctly going forward

Modification 0410A

In continuing the debate started under Action 1101, 0101 & 0103 above, it was recognised that 0410A could / should continue to work its way through the process separate to the

resolution of any outstanding issues and concerns as discussed under the action. However, it was also acknowledged that resolution of the outstanding issues and concerns could / would add value to the modification.

When asked whether or not adopting a process whereby the DNs would issue MPRNs, would alleviate some of the UIPs (anti competition) concerns, EM suggested that it could, but not necessarily the outstanding multi meter and I&C connections concerns.

Modification 0410

Once again, in continuing the debate started under the above actions, it was recognised that 0410 could always sit in the background ready to support any proposed solution.

Workgroup Report

During a brief debate it was agreed (in line with, and subject to, resolution of Actions 1101 & 0101 above) to consider the legal text at the 06 March 2013 with a view to completing the Workgroup Report by the end of March to enable it to be presented to the April Panel.

3. Any Other Business

None.

4. 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 business proceedings of the Distribution Workgroup on:

Thursday 06 March 2013, at 10:30, 31 Homer Road, Solihull B91 3LT

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	22/11/12	2.0	<i>Ownership of/responsibility for 'neutrality pot'</i> - National Grid NTS to elucidate its concerns and a provide view to Ofgem as to why it thinks the Licence is directly impacted.	National Grid NTS (DC)	Carried Forward
0101	07/01/13	2.0	Northern Gas Networks to provide the draft legal text to National Grid NTS to review and conclude action 1101.	Northern Gas Networks (ARS) / National Grid NTS (DC)	Carried Forward
0102	07/01/13	2.0	All Workgroup Members to analyse to the extent that Modifications 0410 and 0410A are exclusive and could be decoupled.	All	Closed
0103	07/01/13	2.0	Scotia Gas Networks to provide more information on a new MPRN creation process at the February meeting.	Scotia Gas Networks (SGN)	Update provided. Closed

0201	28/02/13	1.2	<i>Linked to Actions 1101 & 0101:</i> To provide a progress update on the provision of the legal text for Modification 0410, including a date for when the text would be available, and if not, an explanation as to why not, plus an indication of any outstanding issues and concerns that NGN may have.	Northern Gas Networks (ARS)	Update to be provided at the 06/02/13 meeting.
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