

**UNC Workgroup 0425 Minutes
Re-establishment of Supply Meter Points – Shipperless sites**

Friday 05 October 2012

31 Homer Road, Solihull, B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	(MiB)	Joint Office of Gas Transporters
Alex Ross	(AR)	Northern Gas Networks
Andrew Margan	(AM)	British Gas
Andy Clasper	(AC)	National Grid Distribution
Anne Jackson*	(AJ)	SSE
Brendan Murphy	(BM)	Waters Wye Associates
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Dave Addison	(DA)	Xoserve
David Mitchell*	(DM)	Scotia Gas Networks
Edward Hunter	(EH)	RWE npower
Lorna Lewin	(LL)	Dong Energy
Marie Clark	(MC)	ScottishPower
Mark Jones*	(MJ)	SSE
Naomi Anderson*	(NA)	EDF Energy
Robert Cameron-Higgs*	(RCH)	Wales & West Utilities
Rowaa Mahmoud*	(RM)	Ofgem

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0425/051012

Workgroup Report is due to the UNC Modification Panel on 15 November 2012.

1. Review of Minutes and Actions from previous meeting

1.1. Minutes

The minutes of the previous meeting were accepted.

1.2. Actions

No outstanding actions to review.

2. Legal Text

CW confirmed that National Grid Distribution are still working on the legal text and that it is working out to be more complex than the text for UNC Modification 0424 "Re-establishment of Supply Meter Points – prospective measures to address shipperless sites". He added that as development of Modification 0425 is already lagging behind that of 0424, the proposed 01 January 2013 implementation could be in jeopardy – consideration of this fact would be factored in to the legal text development in due course.

CW also suggested that in the event that 0424 was rejected, but 0425 implemented, amendments to the legal text for 0425 would have to be made to account for this fact.

The workgroup accepted that there was no direct link between these two modifications and as a consequence, each would run to its own timetable, although CW confirmed that

Modification 0425 is dependant on the implementation of 0424 prior to it being implemented. AM went on to advise that he would anticipate that should 0424 be rejected, 0425 would also be rejected – once again, CW suggested that there may be legal text ramifications as National Grid Distribution is preparing the legal text on the basis that the two modifications are sequential – there may be a need to consider transitional arrangements.

AM confirmed that discussions had taken place with Ofgem focusing on the development of a suitable incentive framework to stimulate shippers to provide accurate data and that this would need to be a robust process, which avoids any subjectivity.

AM then provided an overview of the amendments to the business rules (as contained in the amended modification published on the Joint Office web site and dated 04 October 2012).

When suggested, AM agreed to include consideration of isolated sites within **Introduction - BR6**.

In considering **Transporter Activity – BR8**, AM advised that consideration of meter reading requirements had been included. CW added that their ongoing work on the legal text had highlighted some issues around (Transporter) roles and responsibilities, especially consideration of what should / should not go into Code – he expects to discuss these concerns along with seeking additional clarity around various business rules (i.e. expectation on Transporters to issue Gas Safety visit data within 10 business days etc.) offline with AM hopefully in time for further consideration at the 10 October 2012 Distribution Workgroup meeting. CW is also hopeful that draft legal text would also be available for consideration at the meeting.

In his final comment on this business rule, CW also believes that ‘tensions’ exist between process requirements and code obligations.

Examining **Shipper Activity – BR9**, AM confirmed that this relates to the GS(I&U) reports. When asked, DA felt that Xoserve would be able to strip out C&D store data if required. He agreed to double check whether or not the proposed timescales would be an issue, before going on to highlight his concerns around potential retrospective issues. CW felt that this potential problem is similar to the 0424 confirmations, in system terms at least, and as a consequence he did not see this as being retrospective – a point with which AM agreed.

AM went on to advise that during internal discussions with colleagues, British Gas recognised that there could possibly be a couple of scenarios where the meter fitment date would be unknown. CW also pointed out that there may be occasions where another supplier initiated the meter fitment without actually following the process through all the way to fruition – again AM acknowledged that although rare, this could happen.

Responding to DA’s concerns around appropriate ‘triggers’ to Xoserve and how data may be stripped out from shippers, AM suggested that the onus would be on Shipper’s to push the information to Xoserve.

Moving on to examine **No Shipper activity after the previous registered Shipper’s Withdrawal – BR14**, AM agreed that this is effectively talking about the meter isolation date.

In discussions on more broader aspects of the business rules, AJ enquired as to what would be expected to happen in instances where a Supplier becomes aware that a site is (still) burning gas following removal of a meter, especially where no Supplier contract is evident. Responding, CW suggested that this falls under the remit of the Transporter obligation around theft and conveyance of gas and has long been a concern to Transporters.

AJ also remained concerned that where a non-approved meter has been installed at a site, the modification implies that this is a shipper responsibility. CW suggested that this

is in fact the correct assumption - furthermore he expected that the Transporters would seek to chase the responsible Supplier, and where one could not be identified, they would look to placing the responsibility on the previous Shipper. Some parties remained concerned by the fact that a shipper may be deemed responsible, even though they had acted in good faith, by the inappropriate (in some cases illegal) actions of a customer. CW suggested that it boils down to the need for Shippers to acknowledge that a 'default' global responsibility exists – a collective residual obligation that is in essence a deemed Supplier contract arrangement. When asked about instances where a change of tenancy occurs, CW indicated that he would need to double-check the provisions of 0424 before providing a response. AJ remained concerned that aspects of the modification could potentially legitimise some illegal actions. CW wondered if there is an issue around the 'gaps' in the registration processes and their impact upon the deemed contracts.

Asked how far back in time retrospectively we could go, CW suggested that in theory the modification implies up to 5 years. AM pointed out that in instances where a service is disconnected and then reconnected, modification 0410/0410A "Responsibility for gas off-taken at Unregistered Sites following New Network Connections" applies. In discussing asset data change (i.e. meter changes etc.) effects, CW confirmed that modification 0424 assumes that the same meter is in place. However, 0425 is subtly different – where 0424 utilises asset data information at the point of withdrawal, 0425 utilises GSRU information. CW suggested that under a worst case scenario, Shippers could expect to have 4/5 years reconciliation applied to them – one issue being where we do not have a start date, we may not be able to work backwards to calculate consumption. BM remains of the view that this is a harsh punishment and 12 or 24 months would be a more representative timeframe. AM pointed out that the 4/5 year window was initially Ofgem's suggestion, which his British Gas business colleagues agreed with. BM advised that he would consider the modification and provide additional comments at the next meeting.

AM wondered whether there would be value in him defining some scenarios to cater for instances where 1, 2 or 3 or more meter reading are, or are not, available – consensus was that this would be helpful, along with being able to establish how an invoice had been calculated and on what grounds – AM/CW/DA agreed to discuss requirements offline with a view to providing further amendments to the modification.

Asked whether or not when a Transporter conducts a site visit (after 12 months) and finds that no meter is present they seek to revisit the site at a later date, CW advised that in these types of situation the Transporters would in fact cut off the supply.

In closing, CW agreed to undertake a new action to double-check what the GS(I&U)R requirements are with regard to what happens when a Transporter visits a site and find that whilst no meter is present, the customer states that they still require gas.

3. Workgroup Report

The workgroup agreed that further consideration of the Workgroup Report should be deferred until the next meeting on 10 October 2012.

4. Any Other Business

None.

5. Workgroup Process

5.1 Agree actions to be completed ahead of the next meeting

The following new actions were discussed and assigned:

Action 0425 1001: National Grid Distribution (CW) to check what the GS(I&U)R requirements are with regard to what happens when a Transporter visits a site and find that whilst no meter is present, the customer states that they still require gas.

6. Diary Planning

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:

Wednesday 10 October 2012, 10:30, at 31 Homer Road, Solihull, B91 3LT

Thursday 25 October 2012, 10:30, at 31 Homer Road, Solihull, B91 3LT.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0425 1001	05/10/12	2.	Check what the GS(I&U)R requirements are with regard to what happens when a Transporter visits a site and find that whilst no meter is present, the customer states that they still require gas.	National Grid Distribution (CW)	Update to be provided in due course.