

## UNC Workgroup 0428 Minutes Single Meter Supply Points

Thursday 25 October 2012

31 Homer Road, Solihull, B91 3LT

### Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Helen Cuin (Secretary)	(HC)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid Distribution
Andrew Margan	(AM)	British Gas
Anne Jackson	(AJ)	SSE
Chris Warner	(CW)	National Grid Distribution
Collette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
David Chalmers	(DCh)	National Grid Distribution
David Corby	(DC)	National Grid NTS
David Mitchell	(DM)	Scotia Gas Networks
Erika Melén	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waterswye
Joanna Ferguson	(JF)	Northern Gas Networks
Leanne Thompson	(LT)	RWE npower
Lorna Lewin	(LL)	DONG
Marie Clark	(MC)	Scottish Power
Naomi Anderson	(NA)	EDF Energy
Robert Cameron-Higgs*	(RCH)	Wales & West Utilities
Rowaa Mahmoud*	(RM)	Ofgem
Tom Breckwoldt	(TB)	Gazprom

\* via teleconference

Copies of all papers are available at: [www.gasgovernance.co.uk/0428/251012](http://www.gasgovernance.co.uk/0428/251012).

The Workgroup Report is due to the UNC Modification Panel on 20 December 2012.

### 1.0 Review of Minutes and Actions from previous meeting

#### 1.1. Minutes

The minutes of the previous meeting were accepted.

#### 1.2. Actions

**0004:** Look at impacts on charging methodologies and NDM pricing philosophy.

- (a) Transporters to table at DNCFM to consider what the consequential effects of moving to Single Supply Point charging might be.
- (b) Are there any impacts on the charging methodologies and would these have ramifications for the basic principles/philosophy?
- (c) Report on the outcome of DNCFM discussions to this Workgroup.

**Update:** AR confirmed that DNCFM was reviewing potential impacts, but there was nothing to report as yet. GE asked for confirmation that any views from the DNCFM should be brought back to this meeting for discussion. **Complete.**

**0005:** AR to review the U60s and U16s meter types, analysis and population, and review the phasing accordingly.

**Update:** AR confirmed that timings and phasing have been considered however he believed that phasing was not a solution. AM believed individual shippers should disaggregate the site, and that phasing could increase costs and deemed of no benefit. **Complete.**

## 2.0 Discussion

DCh provided a [Charging Impact Presentation](#) illustrating the number affected site on the National Grid Network, and the charge impact without any rebalancing and details of the potential interaction with LDZ system methodology.

SM enquired about the number of meter points that would fall into SSP/RbD. AR believed the meter points with an AQs less than 73,200kWh would be around 46,000 or 53%. GE was concerned about avoiding the need to build RbD systems for portfolios that currently don't have RbD meter points but may do as a result of this modification. The timing of its implementation should coincide with Nexus implementation to avoid building interim solutions.

SM enquired about the costs of development and if savings can be made by not having to build in the existing functionality into the Nexus solution as Transporters have advised that any funding is for an as is solution - how would this be treated. AR explained that the Transporters will be funded for a replacement UK Link systems, as agreed as part of the price control and will be as per Xoserve business plan Year 1 system development. Future funding is to be decided going forward, anything not covered will be ploughed back via an appropriate mechanism. SM was keen to understand the capital recovery mechanism and a view from Ofgem on how savings will be managed. AR explained that there is not a pot of money the capital has to be raised with the recovery through RAV over the next 4/5 years.

The Workgroup considered the potential interaction with Modification 0418 Review of LDZ Customer Charges. AM asked if 0428 and 0418 could be implemented at the same time. It was recognised that the modifications were related but were not dependant on each other.

AM asked if National Grid Distribution could consider if 0418 and 0428 could be implemented together.

Some concern was expressed that customers will be impacted by an increase in costs and these could be considerable for legacy sites. Grandfather rights should be considered as they have been with Sub-deduct configurations. SM was keen to have this documented in the Workgroup Report

SM asked about likely changes to Sub-deduct configurations if engineering out would be required for these in line with aggregated sites? AR confirmed that there are ongoing discussions with Ofgem about Sub-deduct configurations.

GE recognised the varying changes in charges and that there are positive and negative impacts to the Transportation Charges, he suggested that consideration may need to be made of sites on an individual basis to understand the true impacts. AR explained that Transportation charges need to be varied on regular basis and the industry was aware of the process.

The aspiration was to implement the modification with Nexus but AR suggested that this might not be on a pricing change date. With system, price and UNC changes it may not be possible orchestrate these simultaneously.

DC explained that National Grid NTS are concerned about the on their directly connected sites, some of which are aggregated – they see no benefit to NTS or

customers to disaggregate. AR confirmed that National Grid Distribution is liaising with NTS about the affects to assess if there are any impacts. AR was expecting some analysis to be presented to Distribution for them to consider.

An amended Modification was expected with Legal Text.

BF highlighted the report date currently for 20 December 2012 and whether the Workgroup will be in a position to complete the report. It was agreed to seek an extension to January to allow some extra time for the Workgroup Report.

**3.0 Any Other Business**

None raised.

**4.0 Diary Planning for Review Group**

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

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

Thursday 22 November 2012, at 10:30, ENA, 52 Horseferry Road, London SW1P 2AF

Tuesday 18 December 2012, at 10:30, 31 Homer Road, Solihull B91 3LT.

**Action Table**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0004	23/08/12	2.0	<p>Look at impacts on charging methodologies and NDM pricing philosophy.</p> <p>(a) Transporters to table at DNCMF to consider what the consequential effects of moving to Single Supply Point charging might be.</p> <p>(b) Are there any impacts on the charging methodologies and would these have ramifications for the basic principles/philosophy?</p> <p>(c) Report on the outcome of DNCMF discussions to this Workgroup.</p>	Transporters (AR)	<b>Complete</b>

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<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
0005	27/09/12	2.0	Review the U60s and U16s meter types, analysis and population, and review the phasing accordingly.	National Grid Distribution (AR)	<b>Complete</b>