

**UNC Workgroup 0450 Agenda
Monthly revision of erroneous SSP AQs outside the User AQ
Review Period**

Wednesday 07 August 2013

Consort House, 6 Homer Road, Solihull B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andrea Varkonyi	(AV)	First Utility
Anne Jackson	(AJ)	SSE
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
David Corby	(DC)	National Grid NTS
David Mitchell	(DM)	Scotia Gas Networks
Edward Hunter	(EH)	RWE npower
Erika Melén	(EM)	Scotia Gas Networks
Hilary Chapman	(HCh)	Xoserve
Jon Dixon*	(JD)	Ofgem
Marie Clark	(MC)	Scottish Power
Steve Mulinganie*	(SM)	Gazprom

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0450/070813

The Workgroup Report is due to the UNC Modification Panel on 19 September 2013.

1.0 Review of Minutes and Actions from previous meeting

1.1. Minutes

The minutes of the previous meeting were accepted.

1.2. Actions

0501: Xoserve (DA) to provide a copy of the ROM in time for consideration at the next meeting.

Update: A revised ROM will be provided for publication once the business rules are complete. **Carried Forward**

Action 0701: Xoserve to substantiate the impact of including sites with an AQ of 1 over and above the 20,000 available amendments, what complexities would be involved and the likely costs.

Update: A presentation was provided, see 2.0 below. **Closed**

2.0 Workgroup Report

Monthly revision of erroneous SSP AQs outside the User AQ Review Period

In response to Action 0701, DA gave a presentation outlining further considerations. The analysis had been based on a simpler modification; any substantial revisions would need to be understood to recalculate what was required.

It was observed that anything that moves AQ of 1 up to a more realistic limit was good. DA noted that an AQ of 1 is still a valid AQ in certain circumstances but it will be interpreted so that it will not be subject to tolerance change but will come out of a party's allowance.

HC confirmed that an automated validation was carried out in response to appeals, and explained the items validated.

The Appeals Process Flow (9.1) was displayed and DA explained the flows (it does not include manifest errors or new business appeals). Xoserve did not perceive the spec calc to have any limits; because there is no material restriction parties can continue re-submitting if necessary.

The Appeals Process Flow (9.2) was displayed and DA continued his explanation. Whether rejected or successful it will be classed as use of one appeal opportunity and recorded against a Shipper's maximum quota. A number of questions ensued.

Would a Shipper receive a rejection code that indicates it has exceeded its maximum limit for appeals? DA explained what would happen at an application level; something at the file level may also be included – this was under consideration and would affect the ROM.

Were sensible levels being considered for each Shipper depending on its estimated usage? Was there room for flexible limits? DA indicated that 33 Shippers would receive the allowance of 200, and HC explained the percentage calculations. It was based on individual portfolios – the modification indicates that all parties get a minimum of 200 appeals per month. MC believed that while small Shippers should get some allowance over and above levels based on portfolio count, their portfolio was generally low in numbers and it was extremely likely they would not utilise such a large allocation. SM suggested that proportional effects might need consideration; the costs of supporting the process might far outweigh any benefits.

DA reiterated it had been based purely on the SSP MP portfolios. It was trying to keep the application as simple as possible; a fixed value makes it simple; the question is, is 200 the right level where portfolios counts are low? DA explained how this figure had been arrived at. SM believed this was a different way of calculating compared to the previous discussions. How many of the 33 Shippers have a material portfolio; the reasonableness of the proportion allocated was questioned, bearing in mind that some Shippers will never utilise the full value of such an appeals allowance. No one should be excluded, but it should be recognised that the ability to correct needed to be proportionate rather than a 'blanket' figure for all. A 3 tier system was suggested.

It was questioned if the appeals would run through the AQ Review period. AV explained her view, and restated the initial focus of the modification. Larger Shippers would only support the modification if the solution was market share based, but this may have an unfair and detrimental effect on smaller parties, which felt they were disadvantaged already. MC pointed out that all Shippers share the same risk and this might be penalising her customers unfairly. A sensible view should be taken. Would a 3 tier approach to reflect equitable and efficient use of the process be considered? AV indicated she would reassess with Xoserve what might be done relating to calculation of appeals proportions.

Returning to the Process flows, DA continued with the outline and explained why Xoserve had suggested November and May as appropriate times. HC then explained the

calculation of Appeal allowances in more detail, and how the timings and interactions would work between AQ appeals and the AQ Review. It was noted that the amendment process created a backstop date – would this also happen in the AQ appeals process? DA believed it would not, but would confirm this. Backstop dates were discussed in greater depth.

Action 0801: AQ Appeals process – Confirm if a backstop date is created.

Reporting was discussed. A quarterly report made available on the Extranet was acceptable. DA summarised that Reports 1 and 2 (0378) are probably the most relevant in which to include information; that this did not need to be differentiated from other appeals; and that quarterly reporting was sufficient. There may be concerns relating to performance reporting because of the volumes. There was no objection to reporting on a more frequent basis (this might avoid unnecessary development costs).

Next Steps

The modification and the text will be revised as soon as possible. DA will then endeavour to provide the ROM (as far in advance as possible) in time for the next meeting on 22 August 2013.

Xoserve may hold an offline teleconference with interested parties to discuss alternative ways of calculating numbers, ready for discussion on 22 August 2013.

3.0 Any Other Business

None.

4.0 Diary Planning

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 22 August 2013, at ENA, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0501	23/05/13	2.0	To provide a copy of the ROM in time for consideration at the next meeting.	Xoserve (DA)	Carried Forward
0701	26/07/13	2.0	Xoserve to substantiate the impact of including sites with an AQ of 1 over and above the 20,000 available amendments, what complexities would be involved and the likely costs.	Xoserve (DA)	Closed
0801	07/08/13	2.0	<i>AQ Appeals process – Confirm if a backstop date is created.</i>	Xoserve (DA)	Pending