

## **UNC Workgroup 0451 Minutes Individual Settlements For Pre-Payment & Smart Meters**

**Wednesday 11 December 2013**

**via teleconference**

### **Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Colette Baldwin	(CB)	E.ON UK
Dave Addison	(DA)	Xoserve
Hilary Chapman	(HC)	Xoserve
Huw Comerford	(HCo)	Utilita
Joanna Ferguson	(JF)	Northern Gas Networks
Jon Dixon	(JD)	Ofgem
Mark Jones	(MJ)	SSE
Mike Ashworth	(MA)	Northern Gas Networks
Stephanie Shepherd	(SS)	RWE npower

*Copies of all papers are available at: [www.gasgovernance.co.uk/0451/111213](http://www.gasgovernance.co.uk/0451/111213)*

### **1.0 Introduction**

BF welcomed everyone to the meeting.

### **1.1 Minutes**

The minutes of the previous meeting were accepted.

### **1.2 Actions**

No outstanding actions to consider.

### **2.0 Legal Text for 0451/0451A Sign Off**

During a review of the latest legal text provided by NGN, discussions centred around the comments provided by both CB and HCo in their respective emails.

Reviewing each comment in turn, MA provided a response to the points raised, and where appropriate, suggested amendments which could / would be made to the text as a result of the discussions. MA also advised that any footnotes would be removed when the final version of the legal text is provided.

The Workgroup agreed to review the final legal text, once provided by NGN, by email in order to hopefully avoid delaying presentation of the (revised) Final Modification Report(s) to the December Panel.<sup>1</sup>

BF then pointed out that as these modifications are to be varied, the Modification Rules treat them as new modifications and the legal text provided for 0451/0451(A) will be considered as being produced for the withdrawn modifications. The process will require Panel to request text again for the new (varied) modifications, which will create a delay to the next Panel. A way to circumvent this delay is to include the (final) legal text that we have for 0451/0451(A) as 'Suggested Text' in the variation requests, so that the

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<sup>1</sup> Post meeting note: amended legal text was provided by NGN on 11/12/13 and immediately circulated to Workgroup members for review and comment by the Joint Office.

Transporter (NGN) can confirm that they will adopt the suggested text as their (formal) legal text (for 0451V and 0451AV) and so prevents any undue delay.

### **3.0 Completion of Revised Final Modification Report**

During a very brief onscreen review of the (revised) FMR, the Workgroup concluded that the proposed changes are immaterial in nature.

In considering the User Pays table, discussion focused on both the development and ongoing cost estimates. In responding to a question relating to how the Operational Costs would be shared, DA responded by echoing the details contained within the Workgroup Report – i.e. that costs would be charged based on a given Shipper's share of the overall number of MPs which had been adjusted. CB voiced concerns that earlier in the process, a lower ongoing cost of £10k per month had been suggested. DA suggested that this misnomer may have come about because Xoserve had previously indicated a not greater than figure of £20k and pointed out that the 'original' estimates were only a rough guide.

DA also pointed out that any under/over recovery of costs would be via an amended ACS and thereafter, gave a commitment to provide an ACS to accompany the (revised) FMR prior to the December Panel.

When asked whether or not Xoserve had undertaken any relocation of cost analysis (recognising the fact that the SAP summer/winter prices seemed comparable), DA indicated that they had not, whilst HCo suggested that utilita believe that they have witnessed a misallocation in the region of 15% - some parties questioned this figure suggesting that the Xoserve data was showing a + or – figure of 5%. Responding, HCo remained of the view that the benefits of implementing the modification still outweigh the costs.

Discussions then moved on to focus on the distinction between 'dumb' Pre-Payment meters (which will be captured by Xoserve) and Smart meters operating in Pre-Payment mode (which will be submitted by Shippers). HC and DA explained that the 'dumb' Pre-Payment meters captured by Xoserve will automatically receive their adjustment, whereas a Shipper must submit their Smart Pre-Payment meters if they wish them to be included. In simple terms – 'dumb' Pre-Payments are automatically included, whereas Smart Pre-Payments are on an opt-in basis (by virtue of the Shipper providing the report).

The reason for the Shipper providing the Smart Pre-Payment snapshot is that the Xoserve systems do not record the mode of a Smart meter (i.e. whether it is functioning in Credit or Pre-Payment mode) and therefore Xoserve are unable to identify these meters. By contrast, Xoserve are able to identify 'dumb' Pre-Payment meters and can therefore automatically include these.

The Workgroup then approved the amendments to the (revised) FMR on the understanding that amended legal text would be provided by NGN at the earliest opportunity and circulated by email by the Joint Office for review by the Workgroup members, and subject to no adverse comments being received, would accompany the (revised) FMR to the December Panel.

### **4.0 Any Other Business**

None.

### **5.0 Diary Planning for Workgroup**

There are no further meetings of the Workgroup planned at this time.