

UNC Workgroup 0466 Minutes Daily Meter Reading Simplification

Friday 08 November 2013

Consort House, 6 Homer Road, Solihull, B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andrew Margan	(AM)	British Gas
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
Dave Corby	(DC)	National Grid Transmission
David Mitchell	(DM)	Scotia Gas Networks
Erika Melén	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye Associates
Hilary Chapman	(HC)	Xoserve
Kirsten Elliot-Smith	(KES)	Cornwall Energy
Les Jenkins	(LJ)	Joint Office
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Nigel Williams*	(NW)	Wales & West Utilities
Richard Vernon	(RV)	RWE npower
Rob Johnson	(RJ)	Wingas
Steve Edwards*	(SE)	Wales & West Utilities

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0466/081113

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 March 2014.

1.0 Outline of Modification

CW introduced the modification and explained the rationale behind it, highlighting the fact that it is not about unbundling current provisions. Furthermore, it does not propose increasing charges as Transporters do not currently charge for 'within day' services – it is about building a more flexible and sustainable solution, supported by a SoS (Standards of Service) protection framework.

2.0 Initial Discussion

CW highlighted some key aspects of the modification, as follows:

- Current Transporter revenue is via metering price control which is a tariff capped mechanism – an historic issue related to RGMA;
- Current solution is over engineered whereby cost is significantly exceeding the revenue generated;
- Service provision should better reflect the beneficiaries – the market has moved on;

- Time is now right to look to change current arrangements, as National Grid Distribution believe it to be unsustainable;
- The aim is to not develop a 'half way house' style solution and care will be needed to avoid impacting the physical (read equipment) provisions;
- Not advocating adoption of an opt in / opt out solution – economies of scale have changed and a better balance is now sought via a 'light touch' approach;
- No changes to the DN thresholds is envisaged – some parties voiced concern around potential telemetered site impacts, to which CW indicated that a form of 'check and balance' approach could be developed, and
- Opportunity to take advantage of utilisation of new and enhanced technology exists – innovation benefits.

During the ensuing debate, CB questioned the reasoning behind the Transporters DM requirements argument. Responding, AR advised that they (the Transporters) are simply looking to amend the 11:00hrs on D+1 requirement as it is questionable whether or not this adds value to the process, and is seen to be placing undue stress on the DN's. GE pointed out that for some of his customers, retention of the 11:00hr provision is needed. When asked, AR also pointed out that various technical solutions are being considered of which providing access to all reads is just one aspect and it is about finding the right balance between Transporter and Industry needs – moving towards a more commercial activity based approach.

Some parties felt that the scope of the modification should be expanded to also include consideration of the Supplier Licence Condition 12 aspects.

When asked whether or not the modification would potentially undermine the good work already done on delivery of Project Nexus provisions, AR advised it would not as there are no threshold changes being proposed. It was also suggested that parties may be 'protected' from Transporter errors / mistakes via some form of Standards of Service (Code) provision in due course. CW added that for the avoidance of doubt, there were NO Project Nexus Class 1 eligibility issues envisaged, although the timings may need to be revisited. In referencing page 8 of the Settlement BRD, MJ believed that some Class 1 amendments could / would be necessary and pointed out that he also has concerns around the potential allocation and reconciliation impacts. CB pointed out that she is frustrated by the fact that this was not raised and included as part of Project Nexus considerations.

Both GE and RJ voiced support for the high level principles behind the modification with RJ going one step further and indicating that should the modification seek to replace the current email communication provision with a superior solution, he would be more than happy to support the modification.

AR confirmed that discussions would be taking place between National Grid Distribution and NTS around aspects such as the daily process requirements in due course.

In closing, a new action was assigned to Shippers/Suppliers to provide evidence of what they currently do with their DM Reads and what timelines are involved and whether or not these are process specific requirements for them.

Action 0466 11/01: Shippers/Suppliers to provide evidence of what they currently do with their DM Reads and what timelines are involved and whether or not these are process specific requirements for them.

3.0 Any Other Business

None.

4.0 Diary Planning for Review Group

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:30 on Tuesday 10 December 2013	Consort House, 6 Homer Road, Solihull B91 3QQ	Review actions and business rules

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0466 11/01	08/11/13	2.0	To provide evidence of what they currently do with their DM Reads and what timelines are involved and whether or not these are process specific requirements for them.	Shippers/ Suppliers	Update to be provided.