

UNC Workgroup 0551 Minutes
Protecting consumers who are disaggregated under Modification
0428 from Ratchet charges for Winter 2015

Friday 04 September 2015

31 Homer Road, Solihull, B91 3LT

Attendees

Alex Ross Shaw	(ARS)	Northern Gas Networks
Bob Fletcher (Chair)	(BF)	Joint Office
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Edward Hunter	(EH)	RWE npower
Erika Melen	(EM)	Scotia Gas Networks
Hilary Chapman	(HC)	Xoserve
Karen Visgarda (Secretary)	(KV)	Joint Office
Kiran Samra	(KS)	RWE npower
Robert Wigginton	(RW)	Wales & West Utilities
Steve Mullinganie	(SM)	Gazprom

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0551/040915>

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 October 2015.

1.0 Review of Minutes and Actions

1.1. Minutes from the previous meeting were agreed

1.2. Actions

Action 0101: Gazprom (SM) to amend Modification 0551 and conclude the reports week ending Friday 04 September.

Update: SM confirmed the amendments have been completed. **Closed**

Action 0102: Xoserve (HC) to undertake data analysis regarding a suitable date start date for Ratchet charges to be commenced from.

Update: HC overviewed the presentation ‘UNC Modification 0551 – Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16’. General discussion took place regarding the most appropriate date and HC stated as Xoserve would have the population of disaggregated meter points they could work to for any of the dates proposed. CB stated that if date prior to 01 October 2014 was chosen then some people might have ratcheted over the last Winter, so should already be aware of the actual consumption. SM proposed that implementing Modification 0428 would have an impact and people are less likely to challenge the process if it applied when most of the sites were disaggregating as a result of Mod 0428. After further general discussion regarding the ratchet process, it was agreed the most suitable date would be 01 October 2014, however, parties wanted further detail regarding specific ratchet charges. CW agreed that he would investigate the ratchet charges. **Closed**

New Action 0201: National Grid Distribution (CW) to provide further information with regards to ratchet charges.

Action 0103: Xoserve (HC) to investigate the most appropriate and suitable Option to be adopted. Option 1 – Suppression of Ratchet Charges, Option 2 – Adjustment of Ratchet Charges.

Update: HC overviewed both the proposed options and following general discussion it was felt the most appropriate solution would be Option 2. HC explained that Xoserve cannot do a 'blanket coverage' of validations up front and that it should not be considered Xoserve's responsibility to submit a claim. HC reiterated the fact that Xoserve will be providing the Portfolio Reports for the Shippers to enable them to check for any ratchet charges. SM stated that Shippers would have to do all the validation and make a claim for every ratchet as they don't have the information available to check if the claim is valid. CB asked if the Portfolio Report provided a 'snap shot' of the aggregated sites with the ratchet charges. HC confirmed this to be correct and that the report would show the ratchets against each MPRN and that was the filter mechanism. SM asked that if a Shipper submitted a query, would that Shipper would have to undertake the extra work with regards to the validation process. HC confirmed that Xoserve still undertake the validations and calculations for each claim. It was then agreed that Option 2 would be the most suitable and workable solution. **Closed**

2.0 Review Amended Modification

2.1. Consider solution options

Terms and Definitions

HC overviewed the Business Rules. General discussion took place and HC agreed to take out the NDM component's, as it was felt these were irrelevant in relation to the SOQ calculation as this was a DM requirement.

Further discussion took place regarding Business Rules 7 and 8 (BR7 & BR8), both SM and AL did not support these two rules, as they felt they added further complexity, which would be too confusing for Shippers to understand. SM stated he was not going to add either of these rules into Modification 0551. HC stated that she would strongly recommend that these two rules were included, but equally stated that it was SM's choice to include them or not. HC stated that with the absence of BR8, this would give the customer increasing flexibility up to the overall aggregated 'cap' without reference to overall consumption across the impacted meter points that were previously aggregated. CW reiterated the fact that Transporters would be uncomfortable with these two rules being excluded.

Reports

SM stated he wanted the 'report stage' to be included into the flow process diagram to give greater clarity. HC confirmed she would update the flow diagram accordingly and stated anything on Modification 0428 report would be eligible. CB asked who was going to bear the cost a sit would be an impact on cash flow, as the Shippers would be liable. SM said that the customers may need to be charged and the Shippers would then be able to claim that amount back from Transporters and then refund customers. CB stated it seemed to imply a degree of double handling, and HC stated that the proposed rules were produced working to the 'current rules'. SM proposed that HC looked into the validation process where Xoserve could filter the data prior to sending it to the Shippers. HC stated that this would be a change in process and she would have to investigate this in depth to see if it was deliverable and would have to discuss it within the wider Xoserve/Transporter arena. SM stated that he would want compensation for a claim that was invalid should they need to make a claim against all ratchets because they lacked the information to validate a claim.

With regard to User Pays Arrangements, HC explained that she would have to go and re-look at the way User Pays works with regards to Shipper submissions and claims.

With regards to the Legal Text, ARS wanted confirmation of when the legal text would be required and in what time frame. It was agreed the legal text would be required for Panel on 15 October 2015.

New Action 0104: HC to investigate putting User Pays on all queries within the Xoserve process.

Workgroup Report

- 2.2. Consideration of User Pays**
- 2.3. Consideration of Relevant Objectives**
- 2.4. Consideration of Implementation**
- 2.5. Review of Legal Text**
- 2.6. Recommendations to Panel**
- 2.7. Completion of Workgroup Report**

3.0 Next Steps

BF stated that the aim is to conclude Modification 0551 report at the 24 September 2015 meeting.

4.0 Diary Planning

It was agreed that Modification 0551 should be discussed in the Distribution Workgroup on 24 September 2015, to facilitate its timely completion.

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 Thursday 24 September 2015	31 Homer Road, Solihull, B91 3LT	Detail planned agenda items. <ul style="list-style-type: none"> • Consideration of User Pays • Review of Relevant Objectives • Consideration of Implementation • Review of Legal Text • Recommendations to Panel • Completion of Workgroup Report

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0101	27/08/2015	2.2	Gazprom to amend Modification 0551 and conclude the reports week ending Friday 04 September.	Gazprom (SM)	Closed
0102	27/08/2015	2.2	Xoserve to undertake data analysis regarding a suitable date start date for Ratchet	Xoserve (HC)	Closed

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			charges to be commenced from.		
0103	27/08/2015	2.2	Xoserve to investigate the most appropriate and suitable Option to be adopted. Option 1 – Suppression of Ratchet Charges, Option 2 – Adjustment of Ratchet Charges.	Xoserve (HC)	Closed
0551 0201	04/09/15	1.2	National Grid Distribution to provide further information with regards to ratchet charges.	National Grid Distribution (CW)	Pending
0104	04/09/15	2.0	HC to investigate putting User Pays on all queries within the Xoserve process.	Xoserve (HC)	Pending