

UNC Workgroup 0551 Minutes
Protecting consumers who are disaggregated under Modification
0428 from Ratchet charges for Winter 2015/16
Tuesday 06 October 2015
via Teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Alex Ross-Shaw	(AR)	Northern Gas Networks
Bethany Hanna	(BH)	Ofgem
David Addison	(DA)	Xoserve
Kirandeep Samra	(KS)	RWE npower
Tahera Choudhury	(TC)	Xoserve
Mark Jones	(MJ)	SSE
Steve Mulinganie	(SM)	Gazprom

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0551/061015>

The Workgroup Report will be presented to the UNC Modification Panel by 15 October 2015.

1.0 Introduction and Status Review**1.1. Approval of Minutes (24 September 2015)**

The minutes of the previous meeting were approved.

1.2. Actions

Action 0901: DA and JF to investigate how to manage the query window within the 5-day window and confirm any further BR4 amendments to SM.

Update: DA confirmed, in terms of the 5-day window debate at the last workgroup, in reality the ratchet will stand but the charge will be backed out. He explained that the 5-day window is crucial for Shipper's as it provides them with an opportunity to challenge the consumption leading to ratchet. He clarified that the ratchets will continue and the SOQ will track-up in line with the consumption. Shippers can still look at the pre-notification; the modification does not affect this.

DA confirmed that there is a lot more time available for this process as it allows for a notification, the ratchets will then be applied, Xoserve will generate the invoice for the changes, the Shipper will be notified that the supply point is a candidate for 0428 and payment can withhold against that item. The Shipper will also be able to pay the invoice and raise a query for an adjustment.

DA highlighted that there was one concern raised regarding a Shipper/Supplier taking over a site and not being aware of the history. In these cases Xoserve will provide a portfolio extract and advise that the site is a candidate for the 0428 process.

BF asked for clarification if the modification required further amendment. DA explained that Xoserve had concentrated on the legal text rather than the modification itself. He did not anticipate any further amendment would be required to the modification.

SM suggested the Workgroup Report might want to clarify that the 5-day window is not relevant to this process as there is sufficient time to raise a query. **Closed.**

2.0 Review Business Rule Amendments

There were no further amendments to be considered to the modification.

3.0 Consider Legal Text

BF confirmed that the Legal Text had been provided and highlighted that Northern Gas Networks will also need to provide some text commentary.

DA highlighted the requirement to amend the legal text to refer to 'invoice query' not 'supply point query'.

DA also believed further clarity was required in relation to sections 1 and 3 and the term 'the reference date', to ensure Xoserve apply the reference date correctly, at the point of calculation. It was suggested the text could be more explicit and perhaps it shouldn't state prior to 01 October.

SM clarified that it was never the modification's intent to go back prior to the start of the winter period. SM questioned if it would be more explicit if the legal text stated 'as at the 01 October', Workgroup participants agreed this.

DA also asked for clarity within section 3 around excluding NDM elements from the calculation. He explained that there is a risk any supply point that has an NDM component could be entirely excluded from the modification and he wasn't sure that this was the modification's intention. The Workgroup discussed the exclusion of the NDM elements from the former supply point, the exclusion of NDM was only prior to disaggregation, it was not an exclusion from the overall Supply Point AQ if any element becomes NDM upon the reconfiguration as they would not be subject to ratchets.

DA gave an example where previously a supply point may have had three meter points, two of which were DM and one NDM. When considering the sum of the current supply point any NDM element will be excluded for calculating the reference position. He wished the text to be explicit on the exclusion of NDM elements.

DA explained that excluding NDM components will provide Xoserve will have absolute value, but there will be a population where through the 0428 process that some sites would have been DM and moved into NDM. He understood these would not be excluded if classified as DM before or on the 01 October 2014. It was clarified that Supply points would be excluded that were not DM before and after.

DA also wished to see further clarity within section 3(ii) the supply point offtake quantity for the current supply point. DM explained that the SOQ is associated with key aspects and that there is reference to the sum of the new SOQs as a comparison will be made of the aggregated total SOQ. He believed 3(ii) needed to be clear that 'the sum of refers' to the new supply point configuration.

SM believed section 4 clarified the position. DA agreed that section 4 does add some clarity, however he believed the text would benefit from further clarity.

DA enquired although not explicitly mentioned that Shared Supply Meter Points (SSMPs) could be considered within this process. SM that confirmed SSMPs were within scope if they previously formed part of an aggregated site.

BF requested upon re-submission of the text that Northern Gas Networks consider the format. He requested that the paragraph numbering is aligned with the current UNC formatting, that it is made clear where the text is to be inserted, any new defined terms are provided and that the brackets are removed to distinguish the defined terms. BF confirmed in its current format it would be difficult to insert the text into the UNC.

4.0 Conclusion of Workgroup Report

The Workgroup considered the updates required to the Workgroup Report.

BF explained that the Workgroup Report would not include the text at this stage, as further amendments were required. He confirmed that text updates could be submitted up until the Final Modification Report is issued to Ofgem. However, it was anticipated the legal text would be provided in time for inclusion within the Draft Modification Report.

The Workgroup consider the User Pays section of the report.

DA provided a view on the potential adjustment costs, and the need to define the split in terms of how this is picked up, presumably as a transactional charge. SM agreed this would be a transactional charge.

DA confirmed that Xoserve would also need to define a report for the relevant parties. He clarified there would be no new data items to be derived, suggesting a report is provided to any party who has DN portfolio candidate sites. He believed there would be some small developmental costs with regards to this report, but it would be a simple report and this could be charged to the recipients. He highlighted however that an approach whereby a report is automatically provided to parties with DN sites could result in charges to those who have no intention of utilising the service. SM believed some parties might not want the report as they could choose to wait for the notifications. SM suggested charges might wish to be considered upon request anticipating this to be a minor cost. DM believed this could become a transactional charge where a party requests an adjustment.

SM reminded the Workgroup to clarify that the 5-day window is not relevant to this process as a query can be raised outside of this window.

The Workgroup Report was concluded.

5.0 Any Other Business

SM wished to thank Xoserve for their support and input during the development process.

6.0 Next Steps

The Workgroup Report will be submitted to the October Panel meeting at short notice as agreed, with an expected text update.

7.0 Diary Planning

No further meetings were planned.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0901	24/09/15	2.0	DA and JF to investigate how to manage the query window within the 5 day window and confirm any further BR4 amendments to SM	Xoserve (DA) & NGN (JF)	Closed