

UNC Distribution Workgroup Minutes
Thursday 23 June 2011
at Elexon, 4th Floor, 350 Euston Road, London, NW1 3AW

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Andy Lees	(AL)	National Grid NTS
Anne Jackson	(AJ)	SSE
Brian Durber	(BD)	E.ON UK
Chris Shanley	(CS)	National Grid NTS
Chris Warner	(CW)	National Grid Distribution
David Watson	(Dw)	British Gas
Edward Coleman	(EC)	E.ON UK
Joanna Ferguson	(JF)	Northern Gas Networks
Mark Cockayne	(MC)	Xoserve
Mathieu Pearson	(MP)	Ofgem
Nick Wye	(NW)	Waters Wye
Robert Cameron-Higgs	(RCH)	Wales & West Utilities
Sasha Pearce	(SP)	RWE npower
Simon Trivella	(ST)	Wales & West Utilities
Stefan Leedham	(SL)	EDF Energy
Tim Davis (Secretary)	(TD)	Joint Office
Tom Connolly*	(TC)	ScottishPower

*by teleconference

1. Introduction and Status Review

1.1. Minutes from the previous meetings

The Minutes from the 26 May meeting were accepted.

1.2. Review of actions from previous meetings

Dis0808: ISS 0018 - Handling of Emergency Situations at Priority Customer Sites – Provide a statement of the actions/approach to be taken by Transporters when attending commercial sites that should be considered a priority.

Action Update: ST requested that the action be carried forward. **Carried Forward**

Dis0206: ISS 0027- Clarify what images will be associated with this pilot scheme at representative/consumer interaction points.

Action Update: CW suggested the action be considered by Xoserve's Shipperless and Unregistered Sites group, which was agreed. **Closed.**

Action Dis0409: ISS 0027- National Grid to provide further clarity on the trial and the choice of the contracted party and reassurance of the safeguards put in place to prevent British Gas having a competition advantage.

Action Update: CW suggested the action be considered by Xoserve's Shipperless and Unregistered Sites group, which was agreed. **Closed**

1.3. Live Modifications

BF provided a brief update.

1.4. ISS 0020, Third Energy Package

This is to be listed with the other Issues on the agenda and will be taken forward once a modification is raised.

2. Modifications

2.1. 0335 – Offtake Metering Error – Payment Timescales

BF explained that the requested legal text and ROM had not yet been received. ST confirmed that lawyers had found it challenging to complete the drafting, and had raised a number of issues that may need addressing through changes to the modification. SP confirmed that RWE npower would be more than happy to review these when the text and associated questions is provided. It was expected that these would be provided shortly, and draft text is expected to be available in time for the 06 July meeting.

ST reported that a ROM would also be completed shortly, showing a cost in the <£100k range.

JF presented some revised examples showing the impact on VAR were the modification to be implemented. Those operating at the limits could anticipate being asked to provide additional security, potentially for an extended period. In some circumstances, this could be almost a doubling of the required security.

3. Workgroups

The following Workgroup meetings took place:

3.1. 0358 - I&C Compensation for Emergency Interruption

Documentation related to this Workgroup is published at:
www.gasgovernance.co.uk/0358

3.2. 0374 - Interruptible to Firm – Supply Point Transition

Documentation related to this Workgroup is published at:
www.gasgovernance.co.uk/0374

4. Issues

4.1. ISS 0018, Handling of Emergency Situations at Priority Customer Sites

In the absence of the issue raiser, discussion was deferred.

4.2. ISS 0026, Manual reporting mechanisms for Theft of Gas

BF indicated that the issue was due to be closed once a guidance document has been published. JF understood that guidance is already available and agreed to chase Xoserve regarding where the document is published. **Members agreed to close ISS 0026.**

Action 0601: Confirm where guidance is published regarding manual reporting mechanisms for Theft of Gas

4.3. ISS 0027, Proposed agreement for the identification and administration of Unregistered Sites

CW confirmed that the issue is being considered in Xoserve's Shipperless and Unregistered Sites group, and requested that the issue be closed to allow debate to proceed in that forum. Modifications are

likely to arise from this and will be subject to the usual governance at that stage. **Closure of the issue was agreed.**

4.4. New Issues

BF indicated that the Panel had asked that the Workgroup consider suitable dates for Modification 0345 to be implemented. SL suggested that the issues to be considered are when a proven alternative service will be available, and how long Shippers need to prepare for the removal of DMV. In the case of EDF Energy, SL reported that moving from DMV to DME would be a big systems change – impacting where reads come from. At present, the reads come from Gemini and, since the change would affect the Gemini interface, a significant lead-time to allow for systems change would be appropriate. However, EDF would also wish to understand if the Transporters would provide the service on a commercial basis – since this could avoid the need for systems change.

ST understood that Ofgem were looking for the Workgroup to identify the questions that might be asked in a further consultation on implementation dates. TD added that an ambition was to identify a range of specific dates in order to generate targeted responses regarding preferences.

SL and DW felt it would be appropriate to put an action on Shippers to identify, for the next meeting, a preferred implementation date and the reasons why. ST suggested that a range of dates could be selected now, such as 1 October 2011, 2012 and 2013. In addition, it should be recognised that a transition is already proposed in the modification, with implementation being phased following the initial date. These dates, including the transition period, could be specified in the subsequent consultation in order to prompt responses and justifications for preferred dates.

There was consensus that the Panel should be recommended to initiate a further consultation based on the indicative October dates listed above.

5. Any Other Business

NW indicated that Total intend raising a modification, and outlined the draft that had been published ahead of the meeting. The modification is seeking to make the likely costs of the AUGE process more predictable, relating to volume and price. The modification effectively looks to establish the allocation of costs on an annual rather than rolling monthly basis, thereby substantially removing uncertainty.

NW emphasised that any feedback would be welcome ahead of the modification being raised formally. SL indicated that EDF had little sympathy with the modification, with the issues identified being consistent with uncertainty elsewhere in the market.

JF clarified that volume was fixed at the start of each year, although the volume attributed is based on market share in each month – such that when market share changes, the allocation of costs changed proportionately. NW agreed, though he considered the impact on smaller suppliers could be severe if their portfolio changes significantly over a short period of time.

DW welcomed early sight of the modification, and felt it was reasonably clear in its intent, such that views for or against could be expressed. These could be captured in a Workgroup Report.

6. Diary Planning

Workgroup meetings are scheduled as follows:

Wednesday 06 July 2011, 10.00, 31 Homer Road, Solihull, B91 3LT

Thursday 28 Jul 2011, 10:30, 31 Homer Road, Solihull, B91 3LT

Monday 15 August 2011, 10.00, 31 Homer Road, Solihull, B91 3LT

Thursday 25 Aug 2011, 10:00, Elexon, 350 Euston Road, London NW1 3AW

Wednesday 07 September 2011, 10.00, 31 Homer Road, Solihull, B91 3LT

Thursday 22 Sep 2011, 10:00, Elexon, 350 Euston Road, London NW1 3AW

Monday 10 October 2011, 10.00, 31 Homer Road, Solihull, B91 3LT

Thursday 27 Oct 2011, 10:30, 31 Homer Road, Solihull, B91 3LT

Thursday 24 Nov 2011, 10:00, Elexon, 350 Euston Road, London NW1 3AW

Distribution Workgroup Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0808	26/08/10	3.1	ISS 0018, Handling of Emergency Situations at Priority Customer Sites – Provide a statement of the actions/approach to be taken by Transporters when attending commercial that should be considered a priority.	Wales & West Utilities (ST)	Carried forward
Dis0206	24/02/11	3.7.1	ISS 0027- Clarify what images will be associated with this pilot scheme at representative/consumer interaction points	National Grid Distribution (CW)	Closed
Dis0409	28/04/11	4.3	ISS 0027 - National Grid to provide further clarity on the trail and the choice of the contracted party and reassurance of the safeguards put in place to prevent British Gas having a competition advantage	National Grid (AR)	Closed
Dis0601	23/06/11	4.2	Confirm where guidance is published regarding manual reporting mechanisms for Theft of Gas	Northern Gas Networks (JF)	Pending