

**Distribution Workgroup Minutes**  
**Thursday 24 March 2011**  
**Elxon, 350 Euston Road, London NW1 3AW**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Tim Davis (Secretary)	(TD)	Joint Office
Alan Raper	(ARa)	National Grid Distribution
Alex Ross	(ARo)	Northern Gas Networks
Alison Jennings	(AJ)	Xoserve
Andrew Wallace	(AW)	Ofgem
Beverley Viney	(BV)	National Grid NTS
Brian Durber	(BD)	E.ON UK
Chris Hill	(CH)	First Utility
Clare Cattle-Jones	(CCJ)	ENA
Dave Turpin	(DT)	Xoserve
David Watson	(DW)	British Gas
Edward Coleman	(EC)	E.ON UK
Karen Kennedy	(KK)	Scottish Power
Jemma Woolston	(JWo)	Shell
Joanna Ferguson	(JF)	Northern Gas Networks
Joel Martin	(JM)	Scotia Gas Networks
Jonathan Wisdom	(JWi)	RWE npower
Phil Broom	(PB)	GDF Suez
Stefan Leedham	(SL)	EDF Energy
Steve Mulinganie	(SM)	Gazprom

**1. Introduction and Status Review**

**1.1. Minutes from the previous meetings**

No comments had been received and the Minutes were accepted.

**1.2. Review of actions from previous meetings**

**Dis0808:** 0045Dis, 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:** Action deferred. **Carried Forward**

**Dis1109:** 0052Dis - National Grid (CW) to report on the approach to dealing with illegitimately connected sites that were either safe or unsafe, and whether a commercial disconnection service might be provided.

**Action Update:** Action deferred. **Carried Forward**

**Dis1205:** UNC0335 - Shippers to quantify the detrimental effects on the current payment timescales.

**Action Update:** It is expected that responses will be provided in confidence.

**Closed**

**Dis0108:** 0047Dis - Shippers to provide the numbers of customer that have used the cooling off period and the typical points when this is used within the 14 days to assess the maximum likely number of cancelled confirmations.

**Action Update:** AJ confirmed some responses had been received. However, the information does not impact the solutions being considered. **Closed**

**Dis0109:** 0047Dis - Ofgem to provide a view on Shippers objecting to transfers and not allowing customers to transfer supplier within 21 days and whether this be considered a breach by the new supplier.

**Action Update:** Covered during discussion. An objection is expected to stop the clock. **Closed**

**Dis0110:** 0047Dis - All Shippers to consider reducing the objection and confirmation window to reduce the transfer timescales, consider any other impacts such as those on Gemini and provide a response to the Joint Office.

**Action Update:** Some responses had been received. **Closed**

**Dis0111:** 0047Dis - Transporters to provide a rough estimate of the likely costs for each solution.

**Action Update:** Presented by xoserve. **Closed**

**Dis0112:** UNC0330 - Transporters to consider the use of a nominated representative from DESC to help support the tender evaluation process.

**Action Update:** Action deferred. **Carried Forward**

**Dis0201:** UNC0274 - Consider withdrawal of modification.

**Action Update:** BD confirmed that EON have considered this. **Closed**

**Dis0202:** UNC0360 – Ofgem to speak to small Shippers regarding issues raised with UNC0305 and report back to inform UNC0360 meetings.

**Action Update:** It was reported that issues will be taken forward elsewhere rather than in the context of Modification 0360. **Closed**

**Dis0204:** ISS 0017 - Contact R Street to request approval to close this Issue and Action Dis1109.

**Action Update:** Closure had been agreed. **Closed.**

**Dis0205:** ISS 0026 - Contact R Street to obtain more detail on this issue and report back.

**Action Update:** Action deferred. **Carried Forward.**

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

**Action Update:** Action deferred. **Carried Forward.**

### 1.3 Live Modifications

AW provided an update on when Ofgem expects to issue decisions on modifications.

### 1.4 Third Energy Package

DT presented on behalf of Xoserve, setting out some potential options for reducing switching timescales.

Reducing the Objection Window to a minimum of 3 business days has an indicative cost of £200k and a 9 month lead time. AW asked if this could be

shortened, albeit at a higher cost. DT explained that the lead time had been identified because of the need to amend processes and reports which are inter-dependent with the objection window. It was expected that nine months would be needed to complete and test this, and it was not something, which was thought likely to be capable of acceleration by, for example, involving more people. DW and SL asked if further detail could be provided to support the costs, explaining the steps that were involved. AJ indicated that xoserve anticipated providing this.

**Dis0301:** Xoserve (DT) to provide details of the system changes and consequent costs to reduce the objection window to a minimum of 3 business days.

SL asked if an objection put the three week timetable on hold, and AW confirmed this was the case. Given this, SL asked if Xoserve could put registration on hold. AJ explained that she would expect the existing process to continue, and transfers would lapse if an objection is not withdrawn within 5 days. SL then raised a potentially different approach of Xoserve automatically rejecting any objections not raised within 2 days, moving immediately to confirmation and leaving the process to run as now with the whole process completed within 9 days. Xoserve agreed to consider this as an alternative delivery route. AW said that understanding the precise licence obligation would be important to ensure this would work, although it may be an elegant solution. In effect, the clock would be paused if an objection is received, but a confirmation would apply immediately in the absence/removal of an objection.

**Dis0302:** EDF (SL) to outline a proposed process for the objection window against the background of the Third Package requirements

**Dis0303:** Xoserve (DT) to consider the costs and implications of adopting the solution identified in Action 0302

DT continued that reducing the Confirmation Window to a minimum of 5 business days has an indicative cost of £500k and a 12 month lead time. It would be significantly harder to shrink this further.

**Dis0304:** Xoserve (DT) to provide details of the system changes and consequent costs to reduce the confirmation window to a minimum of 5 business days

DW questioned whether the nomination window might also be looked at. DT believed this was outside the window and so any change would not deliver the objective. SM supported this, but DW understood that the clock could start ticking depending on how the obligation is defined. BD added that contracts specify a supply start date and a carve out in the draft licence amendments recognises this. SM suggested that it would be beneficial to clarify this in order to ensure compliance with legal requirements. AW agreed to return with an Ofgem view on this.

**Dis0305:** Ofgem (AW) to confirm that the draft licence amendments are sufficient for I&C Suppliers to be compliant with Third Package obligations without a need for further xoserve system changes

AJ added that the cooling off period would need to be factored in to these considerations for any SSP sites that may be impacted.

DW asked about when the clock starts ticking when an objection is received, given that the customer has already agreed a contract. AW did not have definitive advice but felt, to be practical, the obligation to transfer within three weeks would fall away if an objection were raised.

AW asked if all the remaining information could be provided in time for the next meeting such that a recommendation could be made at that meeting and

a modification subsequently raised. All agreed to endeavour to achieve this. AW confirmed that Ofgem would consider how to confirm whether or not it was satisfied that licences are being complied with given the timetable that is emerging.

## **2. Modifications**

### **2.1. 0331 – Demand Estimation Section H Changes to Processes and Responsibilities**

BF explained that the Modification Panel had referred this back to the Workgroup, requesting that the legal text be reviewed. This will be taken forward at the 28 April meeting, when legal text is expected to be available.

AW requested that a commentary be provided alongside the text to explain how it delivers the modification as proposed, and that this also be provided for other modifications.

### **2.2. 0343 – The ability and requirement for Users and Transporters to raise issues to be considered by the Allocation of Unidentified Gas Expert as “known “ issues**

BF explained that the Modification Panel had referred this back to the Workgroup, requesting that the legal text be reviewed. This will be taken forward at the 28 April meeting, when the legal text is expected to be available.

### **2.3. 0330 – Delivery of additional analysis and derivation of Seasonal normal weather**

BF confirmed that potential changes to the modification had been published following discussions between the proposer and the producer of the legal text. This will be taken forward at the 28 April meeting, when the legal text is expected to be available.

### **2.4. 0335 – Offtake Metering Error – Payment Timescales**

JWi outlined the amendments made to the modification.

BF then displayed and edited the Workgroup Report on screen and made changes in response to points made. It was accepted that more clarity would be helpful regarding how implementation would be expected to impact the Relevant Objectives, and all agreed to consider this ahead of the 28 April meeting.

JW accepted that the modification may need to be amended in light of issues raised by lawyers when the text is drafted. JM agreed to endeavour to provide text for circulation ahead of the 28 April meeting.

AJ was unable to confirm if the ROM would be available in time for the next meeting but undertook to follow this up.

## **3. Workgroups**

The following Workgroup meetings took place:

### **3.1. 0360 – Removal of Credit Rating Restrictions from Definition of Parent Company**

Documentation related to this Workgroup is published at:  
[www.gasgovernance.co.uk/0360](http://www.gasgovernance.co.uk/0360)

### **3.2. 0362 – Use of ‘notional Meter Readings’ and ‘Agreed Opening Meter Readings’ for Individual CSEP Reconciliation**

Documentation related to this Workgroup is published at:  
[www.gasgovernance.co.uk/0362](http://www.gasgovernance.co.uk/0362)

### **3.3. 0367 – Interruptible to Firm – Supply Point Transition**

Documentation related to this Workgroup is published at:  
[www.gasgovernance.co.uk/0367](http://www.gasgovernance.co.uk/0367)

### **3.4. 0374 – Interruptible to Firm – Supply Point Transition**

Documentation related to this Workgroup is published at:  
[www.gasgovernance.co.uk/0374](http://www.gasgovernance.co.uk/0374)

### **3.5. 0358 – I & C Compensation for Emergency Interruption**

Documentation related to this Workgroup is published at:  
[www.gasgovernance.co.uk/0358](http://www.gasgovernance.co.uk/0358)

## **4. Issues**

### **4.1. ISS 0017, Disconnection Process**

It was agreed that this issue could be closed.

### **4.2. ISS 0018, Handling of Emergency Situations at Priority Customer Sites**

Carried forward pending completion of the open action.

### **4.3. 0022, DM Unbundling**

It was agreed that this could be closed and a modification raised as and when any party wishes to take it forward.

### **4.4. ISS 0023, DN Interruption Phase 2 (“Oct 2011 Implementation”)**

It was agreed that this issue could be closed.

### **4.5. ISS 0024, Procurement of NDM Profiling Data**

It was agreed that this issue could be closed

### **4.6. ISS 0026, Manual Reporting Mechanisms for Theft of Gas**

This was carried forward pending completion of open actions.

### **4.7. ISS 0027, Proposed agreement for the identification and administration of Unregistered Sites**

An update had been provided by National Grid Distribution for publication alongside these minutes. AW confirmed that Ofgem would be happy to hear from anyone with concerns in this area.

### **4.8. New Issues**

None raised.

## **5. Any Other Business**

### **5.1. AUG Project Update**

A number of attendees had been to the initial meeting with the AUG. There was no further update.

### **5.2. Mod 229 charging basis for User Pays service**

DT presented a proposal to change the 0229 charging basis to a single annual payment rather than invoicing in 12 equal instalments. SM asked for an indication of the level of charge involved. DT did not believe the cost of the contract was in the public domain, but the full User Pays cost would be in the region of £400k, but was not yet finalised. SL indicated that he would

favour an annual payment in principle, but would like an early indication of the likely cost in terms of pence per unit as well as the total. JW suggested that he would wish to see the full amount before commenting on whether he would be happy to receive a single invoice.

Once the full costs for the present year are known and, hopefully, broad agreement reached that the methodology should be changed, a proposed ACS change will be submitted to Ofgem. Feedback on the proposed change to a single bill based on a snapshot of SOQ at the year end would therefore be welcome.

### **5.3. Shared Supply Meter Points Guide and Procedures**

TD reported that minor revisions and clarifications were proposed to the SSMP Guide and Procedures. These would be put to the UNCC (Uniform Network Code Committee) for approval on 21 April. Any views on the change would be welcome.

### **5.4. Mod 0279 Report Requests**

DT indicated that any requests to receive the reports facilitated by Modification 0279 should be sent to xoserve by 1 April. JWo noted this request had not been included in the list circulated seeking confirmation of demand for other user pays services.

DT agreed to issue a reminder to User Pays Contract Managers to help ensure this is not overlooked.

### **5.5. Unreconciled Gas**

DT indicated that xoserve had received a number of queries about unreconciled gas and it was proposed that data would be presented at the April Workstream, showing snapshots of the volumes concerned.

## **6. Diary Planning**

The next full Workgroup meetings are scheduled as follows:

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

Thursday 26 May 2011, 10:00, Elexon, 350 Euston Road, London NW1 3AW

Thursday 23 June 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	0045Dis, 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
Dis1109	25/11/10	3.8	0052Dis –Report on the approach to dealing with illegitimately connected sites that were either safe or unsafe, and whether a commercial disconnection service might be provided	National Grid (CW)	Closed
Dis1205	21/12/10	2.1	UNC0335 – Shippers to quantify the detrimental effects on the current payment timescales.	All Shippers	Closed
Dis0108	27/01/11	1.3	0047Dis - Shippers to provide the numbers of customers that have used the cooling off period and the typical points when this is used within the 14 days to assess the maximum likely number of cancelled confirmations.	Shippers	Closed
Dis0109	24/02/11	1.3	Amended Action 0047Dis - Ofgem to clarify what will happen in different scenarios to trigger a restarting of the clock.	Ofgem (AW)	Closed
Dis0110	27/01/11	1.3	0047Dis - All Shippers to consider reducing the objection and confirmation window to reduce the transfer timescales, consider any other impacts such as those on Gemini and provide a response to the Joint Office.	Shippers	Closed
Dis0111	27/01/11	1.3	0047Dis - Transporters to provide a rough estimate of the likely costs for each solution.	Transporters	Closed
Dis0112	27/01/11	2.1	UNC0330 - Transporters to consider the use of a nominated representative from DESC to help support the tender evaluation process.	Transporters	Carried forward

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0201	24/02/11	1.3.1	UNC0274 – Consider withdrawal of modification.	E.ON UK (BD)	Closed
Dis0202	24/02/11	2.5	UNC0360 – Ofgem to speak to small Shippers regarding issues raised with UNC0305 and report back to inform UNC0360 meetings.	Ofgem (AW)	Closed
Dis0204	24/02/11	3.1	ISS 0017- Contact R Street to request approval to close this topic and Action Dis1109.	JO (BF)	Closed
Dis0205	24/02/11	3.6	ISS 0026 - Contact R Street to obtain more detail on this issue and report back.	Waters Wye (GE)	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)	Carried forward
Dis0301	24/03/11	1.4	Provide details of the system changes and consequent costs to reduce the objection window to a minimum of 3 business days	Xoserve (DT)	Pending
Dis0302	24/03/11	1.4	Outline a proposed process for the objection window against the background of the Third Package requirements	EDF (SL)	Pending
Dis0303	24/03/11	1.4	Consider the costs and implications of adopting the solution identified in Action 0302	Xoserve (DT)	Pending
Dis0304	24/03/11	1.4	Provide details of the system changes and consequent costs to reduce the confirmation window to a minimum of 5 business days	Xoserve (DT)	Pending
Dis0305	24/03/11	1.4	Confirm that the draft licence amendments are sufficient for I&C Suppliers to be compliant with Third Package obligations without a need for further xoserve system changes	Ofgem (AW)	Pending