
UNC Distribution Workgroup Minutes
Thursday 25 August 2011
Elxon, 350 Euston Road, London NW1 3AW

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Andrew Green	(AG)	Total
Brian Durber	(BD)	E.ON UK
Chris Warner	(CW)	National Grid Distribution
Colin Thomson	(CT)	Scotia Gas Networks
Dave Corby*	(DC)	National Grid NTS
David Watson	(DW)	British Gas
Elaine Carr	(EC)	Scottish Power
George Glen	(GG)	Scottish Power
Joanna Ferguson	(JF)	Northern Gas Networks
Joel Martin	(JM)	Scotia Gas Networks
Jonathan Wisdom	(JW)	RWE npower
Linda Whitcroft	(LW)	Xoserve
Lisa Harris	(LH)	Shell
Mark Jones	(MJ)	SSE
Nick Wye	(NW)	Waters Wye Associates
Stefan Leedham	(SL)	EDF Energy

**via teleconference*

Copies of all papers are available at www.gasgovernance.co.uk/dist/250811.

1. Introduction and Status Review

1.1. Minutes from the previous meeting(s)

The Minutes from the previous meeting were accepted.

1.2. Review of actions from previous meeting(s)

No actions outstanding for review.

1.3 Modifications with Ofgem for Decision

An Ofgem representative was not present. No update available.

2. Modifications

2.1 Modification 0335 – Offtake Metering Error – Payment Timescales

BF reminded members that this modification proceeds under the old rules.

Commentary in association with the legal text is expected to be available for review and discussion at the Workgroup meeting on 07 September 2011.

Completion of Workgroup Report

The group discussed the relevant objectives together with the advantages and disadvantages. In respect of relevant objective (b) DC confirmed that although the Shrinkage Manager recognised an indirect benefit it was not of sufficient significance to warrant identification as such under this section, but there may be value in including it as an advantage.

The element of retrospectivity was considered and aspects were clarified. JF highlighted the complexities identified regarding invoicing and billing in relation to Transporters' systems, and observed that an additional contractual risk had been identified in relation to the Distribution Network Owners; the risks on various parties were briefly debated. The views expressed by various parties present were included in the Report as the discussions progressed.

The Workgroup did not recommend that the Panel request the preparation of legal text.

In the meantime the Report will be published on the Joint Office website and will be submitted to Panel unless further issues are raised at the meeting on 07 September 2011, following the review of the legal text and commentary.

Action Dis0809: 0335 – Review draft Workgroup Report and submit comments to Joint Office in advance of the 07 September 2011 meeting.

DW indicated that, once 0335 had been issued for consultation, he was minded to raise an alternative proposal. This would reflect much of 0335 but with key differences in that the solution would apply to all Offtake Measurement Errors, and it would be seeking to align the repayment period with the Shrinkage credit period.

3. Workgroups

- 3.1.** 0326VV - Allocation of unidentified gas following the appointment of the Allocation of Unidentified Gas Expert (AUGE)
(Report to Panel 20 October 2011)
Minutes at: www.gasgovernance.co.uk/0326/250811
- 3.2.** 0378 - Greater Transparency over AQ Appeal Performance
(Report to Panel 20 October 2011)
Minutes at: www.gasgovernance.co.uk/0378/250811
- 3.3.** 0379/0379A - Provision for an AQ Review Audit
(Report to Panel 19 January 2012)
Minutes at: www.gasgovernance.co.uk/0379/250811
- 3.4.** 0387 - Removal of Anonymity from Annual Quantity Appeal and Amendment Reports
(Report to Panel 20 October 2011)
Minutes at: www.gasgovernance.co.uk/0387/250811
- 3.5.** 0390 – Introduction of a Supply Point Offtake Rate Review and Monitoring Process
(Report to Panel 20 October 2011)
Minutes at: www.gasgovernance.co.uk/0390/250811

4. Issues

4.1. ISS 018, Handling of Emergency Situations at Priority Customer Sites

Deferred to the next meeting on 07 September 2011.

4.2. ISS 0028, Status of new connections prior to the completion of reinforcement of the AQ table

JM recapped on the issue and Shippers present indicated their support for the raising of a potential modification.

4.3. New Issues

None raised.

5. Any Other Business

5.1 Modification 0395 – Limitation on Retrospective Invoicing and Invoice Correction

The initial meeting has been arranged for Monday 12 September 2011 via teleconference, commencing at 09:30.

SL outlined the objective of the modification and gave an overview of the electricity arrangements for comparison purposes. The impacts on annual sites with different reading arrangements were illustrated and briefly discussed. BD pointed out that MAMs were able to make adjustments, and LW pointed out that billing adjustments could still be made. SL requested a list of potential adjustments/causes be made available at the meeting on 12 September 2011.

SL believed that this was something that Shippers can and should manage.

Action Dis0810: 0395 – Provide a list of potential invoice adjustments/causes for 0395 meeting on 12 September 2011.

Action Dis0811: 0395 – Establish the potential adjustment LSP volume on monthly and daily read sites.

LW believed that the question was, how close is allocation to reconciliation in aggregate, as any errors should balance out.

SL observed that USRVs were decreasing at approximately 30 per month, and at implementation this would be expected to have reduced to around 200. A general review of the USRV process was outside the scope of the modification.

He would be happy to bring down 152 to 20 months if that was more desirable. JF felt that it was better to tackle the USRV issue by shortening the date.

There was a need to quantify Must Read impacts and it was suggested that an idea of the number of must reads actioned on monthly basis for the previous 24 months would be useful.

Action Dis0812: 0395 – Establish the number of must reads actioned on monthly basis for the previous 24 months.

SL had identified other issues to be considered, such as what settlement period should the industry be aiming for, and was there any impact on credit/securitisation issues (can these be quantified?). Identification of any other issues would be welcome.

The intention was to achieve a 01 April 2012 implementation date and SL asked if Xoserve could establish what notice from Ofgem was required.

Action Dis0813: 0395 – 01 April 2012 implementation date - Establish what notice from Ofgem was required.

BF confirmed that the Terms of Reference had been published and drew attention to the additional items for consideration suggested by Panel. Any comments would be welcome in advance of the meeting on 12 September 2012.

6. Diary Planning

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

Future Distribution Workgroup meetings are scheduled as follows:

- Wednesday 07 September 2011, 10.00, 31 Homer Road, Solihull, B91 3LT
- Thursday 22 September 2011, 10:00, Elexon, 350 Euston Road, London NW1 3AW
- Monday 10 October 2011, 10.00, 31 Homer Road, Solihull, B91 3LT
- Thursday 27 October 2011, 10:30, 31 Homer Road, Solihull, B91 3LT
- Thursday 24 Nov 2011, 10:00, Elexon, 350 Euston Road, London NW1 3AW

UNC Distribution Workgroup - Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0809	25/08/11	2.1	0335 – Review Workgroup Report and submit comments to Joint Office in advance of the 07 September 2011 meeting.	ALL	By 07 September 2011 meeting
Dis0810	25/08/11	5.1	0395 – Provide a list of potential invoice adjustments/causes for 0395 meeting on 12 September 2011.	Xoserve (LW)	To 0395 meeting on 12 September 2011

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
Dis0811	25/08/11	5.1	0395 – Establish the potential adjustment LSP volume on monthly and daily read sites.	Xoserve (LW)	To 0395 meeting on 12 September 2011
Dis0812	25/08/11	5.1	0395 – Establish the number of must reads actioned on a monthly basis for the previous 24 months.	Xoserve (LW)	To 0395 meeting on 12 September 2011
Dis0813	25/08/11	5.1	0395 – 01 April 2012 implementation date - Establish what notice from Ofgem was required.	Xoserve (LW)	To 0395 meeting on 12 September 2011