

UNC Distribution Workgroup Minutes

Thursday 24 September 2015

at 31 Homer Road, Solihull, B91 3LT

Attendees

Andy Clasper	(AC)	National Grid Distribution
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
Fergus Healy*	(FH)	National Grid Transmission
Hilary Chapman	(HC)	Xoserve
Joanna Ferguson	(JF)	Northern Gas Networks
Karen Visgarda (Secretary)	(KV)	Joint Office
Kirandeep Samra	(KS)	RWE npower
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Lewin	(LL)	DONG Energy
Lynda Carroll* (0558 only)	(LC)	Ofgem
Mark Jones	(MJ)	SSE
Mark Lyndon	(ML)	National Grid NTS
Naomi Nathanael*	(NN)	Plus Shipping
Richard Pomroy	(RP)	WWU
Steve Mullinganie	(SM)	Gazprom
Sue Davies* (0558 only)	(SD)	WWU

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/dist/240915>

1. Introduction and Status Review

1.1. Minutes

The minutes of the previous meeting were approved.

1.2. Actions

DX0202: *Reference Transfer of Meter Points between iGTs and GTs - Xoserve (DA) to clarify discussions around how readings should be provided (i.e. estimated read provisions etc.), as undertaken within other forum (i.e. PN Workgroup & UKLC).*

Update: Update due at the November meeting **Carried forward**

1.3. Modification(s) with Ofgem

LJ confirmed that in the absence of an Ofgem representative and since there were no Distribution related modifications with Ofgem, consideration was deferred.

1.4. Pre-Modification discussions

None.

2. Workgroups

The following Workgroup meetings took place:

2.1. **0522 (0479A) - Inclusion of email as a valid UNC communication**

(Report to Panel 19 November 2015)

www.gasgovernance.co.uk/0522

0526 - Identification of Supply Meter Point pressure tier

(Report to Panel 19 November 2015)

www.gasgovernance.co.uk/0526

0551- Protecting consumers who are disaggregated under Modification 0428 from Ratchet charges for Winter 2015/16

(Report to Panel 15 October 2015)

www.gasgovernance.co.uk/0551

3. Issues

3.1. Standardisation of Industry Payment Terms (Modification 0558)

LJ explained that Modification 0558 had been added to the agenda as it had been deferred at the September Panel. Panel felt it was insufficiently developed and required further detail, particularly about the impacted parties and other areas of Code.

KS stated she was representing EH and wanted to record the Workgroups comments and suggestions. KS was aware that the modification required greater clarity with regards to how it would impact on Transporters and smaller Shippers.

General discussion took place and it was felt the major concern was surrounding the area of 'Impact on Credit' and the aggregate effects.. JF stated that it would have an impact on the 'Code Credit Limit' and the 'Value at Risk' with regards to the payment terms, adding that these were especially important with regards to smaller Shipper parties; especially regarding 'Section V' and cash impacts. SM believed the need was to discuss the 'Value at Risk' and not to get lost in the 'Cost of Credit' and the 'Cost of Cash' and that it was not the Proposer's responsibility to undertake this analysis.

LJ stated that it had been confirmed at Panel by John Welch (npower) that this proposal referred to transportation invoices only.

SD stated that with regards to the 30 days timing of capacity invoices, this would present an issue with having two lots of overlapping invoicing. CW agreed that this would present problems and that it was good that Ofgem were on the teleconference, as 'Best Practice' was the key word and needed to be demonstrated. FH suggested that the whole area of 'Best Practice' needed to be clarified, specifically where the process could take longer than 30 days. SD agreed, especially regarding the potential impact on Project Nexus' systems.

FH suggested that looking at Modification 0221 might assist in the development of Modification 0558, as it focused on the Credit Rules and may provide clarity, especially regarding smaller parties and associated impacts. JF wanted to highlight particular concerns regarding smaller parties, as they do not operate in a 'cash heavy' arena. CW agreed that it was about the impact on the Shipper community, specifically if there was a failure. CW believed that a failure would have a negative effect on other Shippers with regards to the payment period and the VaR Credit.

Responding to a question, LJ indicated that Modification 0558 would probably need 6 months for completion and that it would be addressed either by the Distribution or the Charging Workgroups.

3.2. New Issues

LJ confirmed there were no new issues to discuss.

4. Any Other Business

4.1. FGO Update for Workgroups

CW advised the meeting that he was working on the necessary UNC modifications but that it was too soon to report; hopefully these would be submitted to October Panel. LJ indicated that the Governance Workgroup would carry out the assessment of any FGO modifications.

5. Diary Planning

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 22 October 2015	31 Homer Road, Solihull, B91 3LT	Standard Workgroup considerations plus 0468, 0522 and 0526. FGO Update

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DX0202	26/02/2015	4.4	<i>Reference Transfer of Meter Points between iGTs and GTs - Xoserve (DA) to clarify discussions around how readings should be provided (i.e. estimated read provisions etc.), as undertaken within other forum (i.e. PN Workgroup & UKLC).</i>	Xoserve (DA)	Carried Forward On hold until the November meeting