

UNC Distribution Workgroup Minutes

Thursday 25 June 2015

via teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alex Ross-Shaw	(ARS)	Northern Gas Networks
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
Hilary Chapman	(HC)	Xoserve
Kirandeep Samra	(KS)	Npower
Kirsten Elliott-Smith	(KES)	Cornwall Energy
Mark Jones	(MJ)	SSE
Mark Lyndon	(ML)	National Grid NTS
Naomi Nathanael	(NN)	Plus Shipping
Nicola Cocks	(NC)	KPMG
Richard Pomroy	(RP)	Wales & West Utilities
Steve Mullinganie	(SM)	Gazprom

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/dist/250615>

1. Introduction and Status Review

It was noted that UNC Modification 0509 'Permission to release Protected Information to an Authorised Third Party for Performance Assurance settlement risk analysis' had been formally withdrawn by the proposer on 24 June 2015.

1.1. Minutes

When HC requested an amendment to the wording for action DX0202 below, BF responded by suggesting that the action reflected his recollection of the discussions and should remain as originally written. Thereafter, 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: BF suggested that HC and CB discuss this matter in more detail offline and provide a view for discussion only purposes at the July Meeting. **Carried Forward**

DX0203: Reference Transfer of Meter Points between iGTs and GTs – All parties to consider requirements and provide feedback.

Update: HC pointed out that any feedback on this matter would be greatly welcomed. **Carried Forward**

1.3. Modification(s) with Ofgem

In the absence of an Ofgem representative, consideration deferred.

1.4. Pre-Modification discussions

There were no pre-modification discussions at today's meeting.

2. Workgroups

The following Workgroup meetings took place:

2.1. 0468 – Unique Property Reference Number (UPRN) Population by Gas Transporters

(Report to Panel 20 August 2015)

www.gasgovernance.co.uk/0468

2.2. 0522 (0479A) - Inclusion of email as a valid UNC communication

(Report to Panel 16 July 2015)

www.gasgovernance.co.uk/0522

2.3. 0523S – Supply Point Registration – Facilitation of 'faster switching' for Shared Supply Meter Points

(Report to Panel 20 August 2015)

www.gasgovernance.co.uk/0523

3. Issues

3.1. New Issues

No new issues raised.

4. Any Other Business

4.1. Increasing Capacity via Re-Confirmation & Increasing Capacity via Re-Confirmation If Site is Subject to Ratchets – Gazprom presentation

SM reminded those present that this relates in the main to sites being 'ratcheted' whilst referrals are being processed and the voluntary 12 day response window (SLA) which potentially leaves Shippers 'business as usual' processes exposed (linked to item 4.2 considerations as well).

DA indicated that as far as the 0428 statement aspects are concerned, Xoserve believe that there has been some industry confusion (mostly limited to a single Shipper) over the referral timelines and volume aspects. To date, Xoserve has observed statistics that would suggest that the majority of referrals have been responded to within the 12 day (voluntary) window and that it is the late submission of information by parties that is skewing the data. It is the impact of these late (outgoing) Shipper activities that are clearly placing undue pressure on the next (incoming) Shipper confirming the site under the 0428 provisions. SM put a subtly different view on the issue by explaining that Gazprom believe it is the 'blending' of their business as usual processes with the 0428 requirements that is potentially skewing views.

DA remarked that presently we are in a fortunate position because we are outside of the normal winter period and as a consequence any peak consumptions will not invoke ratchets at this time. In accepting this point, SM pointed out that when he originally raised this issue, we were in the winter period, and hence, it was a major concern.

In referring to 'in place' confirmations that become effective 01 October, DA advised that these could potentially 'block' previous confirmations and that the Transporters have indicated that they are happy for Xoserve to take no action should that prove to be the case. To this end, Xoserve has no intention of going into the system to cancel any existing confirmations.

SM once again voiced his concern relating to the current Shipper being assigned costs when the fault clearly lies with the previous Shipper, who for whatever reason, have not completed the work correctly. In his opinion the outgoing Shipper who has not disaggregated by a given date, should be charged. Unfortunately, the current 0428 provisions only identify the 'Registered User' as picking up the charge(s). As a consequence, Gazprom is currently considering raising an urgent UNC modification to look to address the issue.

CB then explained that during her recent correspondence on this matter with Ofgem, J Dixon had suggested that perhaps the answer lies in raising a fast track self-governance modification to look at addressing disaggregation issues associated with timing. He had also indicated that he would consider supporting a solution whereby the incoming Shipper is allowed to complete the process and thereby mitigate the problem. CB went on to point out that additionally, there are issues relating to the 'original' hardwired Project Nexus Implementation Date that also need to be considered now the date has slipped back.

Closing, DA advised that Xoserve have witnessed an increase in the nominations / confirmations (rejections) traffic and would be considering in more detail in due course. He indicated that he would be happy to look to providing some confirmations related performance statistics once the transporters had indicated they are happy for the information to be provided. However, he pointed out that any analysis provided would be 'naturally biased' towards the 0428 related information.

New Action DX0601: Xoserve (DA) to provide a link to the UNC Modification 0428 Frequently Asked Questions (FAQs).

New Action DX0602: *Reference Increasing Capacity via Re-Confirmation & Increasing Capacity via Re-Confirmation If Site is Subject to Ratchets - Xoserve (DA) to look to provide performance related data appertaining to the confirmations / reconfirmations process.*

4.2. Clarification of arrangements for the implementation of Modification 0428 – Single Meter Supply Points

Following on from the main discussions undertaken on item 4.1 above, the Workgroup undertook a small discussion on this item during which CB raised the point of what truly constitutes a 'Twin Stream Meter Point' and how these can be identified by Shippers.

DA provided a brief explanation of what is a twin stream meter point. In essence it relates to a single service pipe, which splits into two streams, each of these streams is separately metered before recombining into one single stream. Only one of the metered streams is active with the other stream on standby (i.e. a 'metered' by-pass installation).

DA went on to explain that a number of these installations have been flagged up to Xoserve who have rejected any that do not comply completely with the 'twin stream' definition. MAMs would be best placed to identify any twin stream

configurations they manage on behalf of Suppliers. He went to explain that for any installations that are recorded incorrectly on the system, Xoserve are looking to remove the 'bogus' meter point and thereafter assign both meters to a single meter point. SM pointed out that this could potentially have a significant impact on process timelines. Responding, DA explained that during discussions with the impacted MAM in question, it became clear that they did not fully understand the definition of a twin stream meter point (when undertaking their nomination validations). Xoserve now expects to have further discussions with the impacted Shippers and MAMs whilst the Xoserve Stakeholder Engagement Team will also be looking to contact Shippers to consider the potential wider 0428 requirements.

4.3. Xoserve FGO programme

NC provided an overview of the KPMG presentation, with the more salient points from the presentation being highlighted as follows:

Slide 3 – Objective and scope – Ofgem Requirements – these were outlined within Ofgem's October 2013 decision letter.

Slide 4 – Programme: areas of work – the UNC obligations elements will also now be considering contractual requirements.

Slide 5 – UNC obligations – with regards to the approach being considered by the FGO POB, NC advised that a draft proposal is being developed with industry. Supporting this, CW also advised that National Grid Distribution have been discussing the matter with Dentons, especially aspects such as how the post FGO arena might be expected to work. He went on to point out that the 'initial proposals' would be developed further with both GT and iGT involvement and that in his opinion, wider ranging UNC changes over and above simply TPD Section V changes, will be required going forward – the expectation is to bring the proposals to the Workgroup in due course.

NC went on to advise that the main focus remains on an April 2016 delivery, which could possibly include wider ranging UNC related changes. The expectation going forward is that any / all parties would have a contract with Xoserve for services provided by them.

Slide 6 – Business plan and budget setting – expectation remains that the draft plan would be available circa October 2015, followed by the final plan circa January 2016.

Slide 7 – Governance – terms of reference for the two CDS / industry governance elements (Change and Contract management) are to be developed in due course.

Slide 8 – Charging and cost allocation – NC explained that a recent update from Ofgem suggests that a full review around the two GT Xoserve related costs options is to be undertaken in due course.

It is expected that further discussions on this matter, are to be undertaken after the FGO Workgroup meeting at the KPMG offices on Monday 29 June 2015.

Slide 9 – Ongoing work – in making reference to the ongoing Workgroups work, NC advised that both materials and minutes from these meetings are available to view on the SharePoint site. If parties wish to view these documents, they will need to register via email to: FGOcentral@kpmg.co.uk

Furthermore, an updated project plan is also available on the site.

Slide 10 – Your role – NC requested that should anyone have any feedback that they wish to provide, to please provide it either via email¹ or via the SharePoint site.

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 23 July 2015	31 Homer Road, Solihull, B91 3LT	Standard Workgroup considerations plus 0468, 0522 & 0523S.

¹ Post meeting note: NC provided the following contact details - Nicola Cocks, Associate Director, Power and Utilities, KPMG (Economics and Disputes), 15 Canada Square, London, E14 5GL. Mobile: +44 7717 423 131, email: Nicola.Cocks@KPMG.co.uk

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
DX0203	26/02/2015	4.4	<i>Reference Transfer of Meter Points between iGTs and GTs – All parties to consider requirements and provide feedback.</i>	All	Carried Forward
DX0601	25/06/2015	4.1	To provide a link to the UNC Modification 0428 Frequently Asked Questions (FAQs).	Xoserve (DA)	Pending
DX0602	25/06/2015	4.1	<i>Reference Increasing Capacity via Re-Confirmation & Increasing Capacity via Re-Confirmation If Site is Subject to Ratchets - Xoserve (DA) to look to provide performance related data appertaining to the confirmations / reconfirmations process.</i>	Xoserve (DA)	Pending