

UNC Shrinkage Forum Minutes

Tuesday 05 April 2013

via teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Gareth Evans	(GE)	WatersWye
Geoff Goldie	(GG)	Northern Gas Networks
John Morrison	(JM)	Northern Gas Networks
Marie Clark	(MC)	Scottish Power
Mo Rezvani	(MR)	SSE
Rawinder Basra	(RB)	Scotia Gas Networks
Rochelle Harrison	(RH)	British Gas
Roy Malin	(RM)	National Grid Distribution
Steve Armstrong	(SA)	National Grid Distribution
Steve Harding	(SH)	Wales & West Utilities
Stuart Forester	(SF)	SGN
Tim Davis (Secretary)	(TD)	Joint Office
Tom Wright	(TW)	Wales & West Utilities

Meeting papers can be found at: www.gasgovernance.co.uk/sf/150113

1. Introduction and Status Review

1.1. Review of Minutes

The minutes of the previous meeting were approved.

1.2. Review of Actions Outstanding

SF0101: All DNs to add the proposed leakage model impact figures to Section 2 and Section 3.1.1. within the Shrinkage Proposals and republish by the end of January.

Update: JM reported that the amendments had been made and included in NGN's Final Proposals. SH had no update to provide but agreed WWU would respond as soon as possible. RB confirmed SGN had completed the action.

Carried Forward.

SF0201: Each DN to provide apportionment values by LDZ for the Shrinkage Proposals.

Update: JM provided a verbal update. RH confirmed she had received figures from the other networks. **Closed.**

SF0102: Each DN to provide update on the Theft Detection Performance Reporting.

Update: Covered under Item 3 on the agenda. **Carried Forward.**

2. Best Practice / License Obligations

RM explained that the DNs had met and gone through each of their approaches. Four or five areas of difference had been identified, but none of

significance. The DNs proposed to consider this further and come back to the next meeting with an update and any proposals for change in light of the differences identified.

3. Modification 0399 – Theft Detection Performance Reporting

SA reported that Xoserve is looking at this on behalf of the DNs and have identified some issues regarding the robustness of the data. JM agreed to speak to Joanna Ferguson for an update on progress. The DNs emphasised that Shrinkage is a small proportion of theft and wanted to avoid overlapping with other work. RH and MR explained that they were looking for transparency to increase understanding.

The DNs asked if Shippers could provide their theft figures and general estimates of overall losses to the DNs, which RH and MR thought should be possible and agreed to investigate what could be provided regarding identified losses. MC noted that Shipper figures on theft had been provided to Ofgem and were available in the consultations on the theft code of practice and TRAS work. The Shippers emphasised that they expected more emphasis to be put on the whole range of unallocated gas issues in light of smart metering and Nexus, and an increased focus on shrinkage could therefore be anticipated.

4. Update on Proposed Leakage Model Changes

AGI Venting

At the previous meeting, RM had reported that work was being carried out by GL Denton Noble (GL). A presentation on this work was provided alongside the minutes for review and consideration, but no feedback had been received. The data was supportive of the manufacturers specifications being a reliable guide to likely emissions, although RM explained that the detail needed to be examined and challenged. RH felt it would be helpful to review this work at a face-to-face meeting as it is not easy to understand and follow on first reading. RM suggested that GL could be invited to the next meeting since they are the experts. The Shippers emphasised that an explanation in layman's terms is important, together with a focus on the impact of any suggested changes or options.

RH asked where the existing venting number came from - nobody was clear about the underlying derivation for that number although the source is well known. RH added that the impact of moving away from this number was the key analysis that Shippers would like to understand.

SF said that surveys of existing equipment would be needed to support this analysis, and this process is incomplete. RM confirmed that National Grid is carrying out a similar survey process in order to move away from a ballpark to a firm figure. RH asked how long it might take to complete the process, and SF suggested mid-Summer might be the earliest for confirming precise equipment details. RM confirmed this timetable, and expected figures from GL by the end of July. After that, a full impact would need to be put to Ofgem such that baselines could be updated.

MR requested a provision of timelines for how consideration of this potential change will be progressed. RM agreed to put this together – his preference would be for this to be completed by December in order for any change to be

reflected in the next formula year.

Participants agreed to review progress at the next meeting, with an expectation that the initial consultation should commence in September.

Low Pressure Leakage Model Shrinkage Adjustment 2013/14

RH suggested that this should be taken forward in light of the AGI venting outcome. SF said that SGN and National Grid had already consulted on the methodology. RH said she could not support the change without seeing similar consultations by NGN and WWU – JM suggested that NGN have already provided the information and would willingly pass this to any interested party. However, SF did not expect to consult further on the methodology – emphasising that the consultation is on the methodology rather than the impacts.

5. Shrinkage on CSEPs

GE explained that as part of the AUGER work it had been identified that no formal process exists for considering the amount of leakage on CSEPs. This would be raised with the iGTs, but GE suggested that the DNs might be able to provide an estimate of the scale of potential losses on CSEPs based on their existing leakage models for similar pipe systems. The scale of losses identified could then be used to inform any further action. RM confirmed he had looked at this in the past and it could, therefore, be done, although the figures would need to be treated with caution as typical CSEP loss rates may differ to those on the DNs given the time when pipes were laid and how jointing practices, for example, had developed over time. GE emphasised that the aim was only to gain an order of magnitude indication at this stage and hence the suggested figures would be very welcome.

MC asked if the iGTs comply with the requirement to provide a leakage estimate to the DNs – which is an iGT UNC requirement as well as being in Annex A of the CSEP NExA. The DNs agreed to check this, though it was noted that Shippers were based placed to discuss these aspects with iGTs.

SF questioned whether the DNs have the available information to estimate CSEP leakage and whether each DN was being asked to do the same analysis using common assumptions for example DNs wouldn't know the length of pipe or its diameter in a CSEP. GE repeated that he is only looking for a high level, rough and ready indication of the potential scale, and would be happy for a single number to be provided on behalf of all the DNs. RM offered to circulate to the other DNs what he had done in the past in order to ascertain if this would provide a suitable basis, which GE welcomed and appreciated. RM would also look to provide something that could be made publicly available, ensuring commercially sensitive information is not published. GE added that a single volume number would suffice, thereby indicating the potential scale of iGT leakage.

New Action SF0103 – DNs to consider if it is possible to provide a high level estimate of CSEP shrinkage by LDZ or as a total for all DNs.

6. Any Other Business

None raised.

7. Diary Planning

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

It was agreed that the next Shrinkage Forum meeting should be booked for 04 June, which would be face-to-face if sufficient material is available to justify a meeting. Alternatively an update would be provided by teleconference.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
SF0101	15/01/13	2.0	Add the proposed leakage model impact figures to Section 2 and Section 3.1.1. within the Shrinkage Proposals and republish by the end of January.	All DNOs (except National Grid)	Carried Forward
SF0201	15/01/13	2.0	Each DN to provide apportionment values by LDZ for the Shrinkage Proposals.	All DNOs	Closed
SF0102	12/02/13	3.0	Each DN to provide update on Theft Detection Performance Reporting.	All DNOs	Carried Forward
SF0103	05/04/13	5.0	Consider if it is possible to provide a high level estimate of CSEP shrinkage by LDZ or as a total for all DNs.	All DNOs	Pending