

UNC Shrinkage Forum Minutes

Monday 19 August 2013

via teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(HC)	Joint Office
Colette Baldwin	(CB)	E.ON UK
David Simpson	(DS)	Scotia Gas Networks
Derek Wilkinson	(DW)	Wales & West Utilities
John Edwards	(JE)	Wales & West Utilities
Mark Jones	(MJ)	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 Edwards	(SE)	Wales & West Utilities
Stuart Forest	(SF)	Scotia Gas Networks

Copies of all papers are available at: www.gasgovernance.co.uk/sf/190813

1. Introduction and Status Review

1.1. Review of Minutes

The minutes of the previous meeting were accepted.

1.2. Review of Actions Outstanding

SF0601: AGI Venting - National Grid Distribution to determine if the manufacturers data needs to be verified as the age of the asset increases.

Update: RM advised that the equipment utilised during testing in the lab had come from the field and could therefore be deemed to be reflective of actual field conditions and was supplemented by actual testing of in-field equipment as well.

Completed

2. Best Practice / License Obligations

RM provided a brief update on the progress being made on the two issues highlighted at a previous meeting whereby National Grid Distribution does not include Meter Point information within its leakage calculations and how this may be managed along with utilising subtly differing CV measurement parameters to the other DNs.

As far as the meter point information was concerned, RM explained that he had examined the process and ascertained that based on the number of customers included within their (National Grid Distribution's) statistics is approximately 5,000 short of the 11 million portfolio which equates to an approximate 0.005% leakage rate (based on average values).

Moving on to look at the potential CV measurement differences, National Grid Distribution utilise the calorific value provided upon its web site which is a different approach to what the other DNs do – further investigations are required as RM remains unclear as to which option may be preferable as considerations such as

temperature variances and leakage rates need to be factored in to the considerations.

Concluding, a new action was placed against RM to provide a presentation that seeks to identify the different approaches the DNs adopt for provision of CV measurements and try to highlight a preferred option.

New Action SF0801: National Grid Distribution (RM) to look to provide a presentation that seeks to identify the different approaches the DNs adopt for provision of CV measurements and try to highlight a preferred (best practise) option.

3. Update on Proposed Leakage Model Changes

3.1 AGI Venting Model Change

RM provided a brief update explaining that the initial findings are in following recent testing, however these remain incomplete at this time and he expects to provide a more meaningful update at the next meeting. The current aim being to provide the report by the end of August with consultation commencing thereafter.

Discussion focused upon whether or not the Ofgem Licence document provides for one (shrinkage) consultation per annum with the conclusion being reached that the (Ofgem) expectation is for a minimum of one consultation per annum. Some concerns were voiced as to whether or not there is a risk that the low pressure leakage consultation could become out of synch with the AGI consultation timeline, although RM remained confident that risk is low and that the two (discreet) processes could be managed effectively in any case. SA added that the expectation is that Ofgem should/would provide a timely decision, as they are fully aware of the subject.

In recognising that the current assumption is for a potential August consultation, SF and RH requested whether or not the DNs could provide some form of indication as to where they are at with regard to progressing their respective AGI venting reports. As a consequence, a new action was placed on the DNs to provide an AGI Venting report progress update including their respective asset assessments, supported by a percentage indicator where possible.

New Action SF0802: DNs to provide an AGI Venting report progress update including their respective asset assessments, supported by a percentage indicator where possible.

3.2 Low Pressure Service Leakage Model Modification Consultation

RM opened by advising that the consultation is underway (including highlighted volumes and baseline changes) and as yet, he had received no responses. He asked parties to note that the consultation closes out on Tuesday 27 August. RH advised that British Gas are working on their response and would send it in shortly.

3.3 2012/13 Shrinkage Assessment and Adjustment

BF reminded everyone present that the associated documentation had been published end of July, early August.

When asked when parties could expect to receive their invoices, RM suggested that subject to no adverse comments being received on the matter of the adjustments then he can see no problem with asking Xoserve to commence issuing invoices soon after this meeting.

A brief discussion followed relating to the appropriate governance mechanism associated with proposing changes to the process – one suggesting being possibly via the raising of a UNC Modification. RH also felt that the assessment itself does not provide sufficient clarity around what has been undertaken and what level of information detail resides behind the assessment and subsequent adjustment(s) (i.e. what were the original shrinkage positions etc.). In the end, RH agreed to a new action to provide an indication as to what type and level of supporting information relating to the 2012/13 shrinkage assessment and adjustment, she would like to see provided.

New Action SF0803: British Gas (RH) to provide an indication as to what type and level of supporting information relating to the 2012/13 shrinkage assessment and adjustment, she would like to see provided.

4. Any Other Business

None.

5. Diary Planning

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

Following a brief discussion during which it was recognised that there is potentially a benefit in awaiting the provision of the AGI Venting information before arranging the next meeting, a new action was placed against National Grid Distribution (RM) to advise when the AGI Venting information is ready and thereafter for the Joint Office (BF/HC) to seek to arrange a subsequent meeting, which may or may not take the form of a teleconference meeting.

New Action SF0804: National Grid Distribution (RM) to advise when the AGI Venting information is ready, and thereafter for the Joint Office (BF/HC) to seek to arrange a subsequent meeting.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
SF0601	04/06/13	4.0	<i>AGI Venting</i> - determine if the manufacturers data needs to be verified as the age of the asset increases.	National Grid Distribution (SA)	Update provided. Completed
SF0801	19/08/13	2.0	<i>CV measurement</i> - to look to provide a presentation that seeks to identify the different approaches the DNs adopt for provision of CV measurements and try to highlight a preferred (best practise) option.	National Grid Distribution (RM)	Update to be provided.
SF0802	19/08/13	3.1	<i>AGI Venting Model Change</i> - provide an AGI Venting report progress update including their respective asset assessments, supported by a percentage indicator where possible.	All DNs	Update to be provided.
SF0803	19/08/13	3.3	<i>2012/13 Shrinkage Assessment and Adjustment</i> - to provide an indication as to what type and level of supporting information relating to the 2012/13 shrinkage assessment and adjustment, she would like to see provided.	British Gas (RH)	Update to be provided.
SF0804	19/08/13	5.0	To advise when the AGI Venting information is ready, and thereafter for the Joint Office (BF/HC) to seek to arrange a subsequent meeting.	National Grid Distribution (RM) & Joint Office (BF/HC)	Update to be provided.