

UNC Shrinkage Forum Minutes

Tuesday 27 October 2015

via teleconference

Attendees

| | | |
|----------------------------|------|----------------------------|
| Alison Drummond | (AD) | EDF Energy |
| Bob Fletcher (Chair) | (BF) | Joint Office |
| Colin Blair | (CB) | ScottishPower |
| Colin Wainwright | (CW) | Scotia Gas Networks |
| Craig Neilson | (CN) | National Grid Distribution |
| Geoff Goldie | (GG) | Northern Gas Networks |
| Ian Marshall | (IM) | Wales & West Utilities |
| John Morrison | (JM) | Northern Gas Networks |
| Jonathan Findlay | (JF) | Scotia Gas Networks |
| Karen Visgarda (Secretary) | (KV) | Joint Office |
| Mark Jones | (MJ) | SSE |
| Matt Marshall | (MM) | National Grid Distribution |
| Naomi Anderson | (NA) | Engage Consulting |

Copies of all papers are available at: <http://www.gasgovernance.co.uk/sf/271015>

1. Introduction and Status Review

1.1. Approval of Minutes

The minutes of the previous meeting (19 August 2015) were approved.

1.2. Actions

SF0601: Parties to consider the Joint GDN Shrinkage and Leakage Model Review 2014/15 Consultation Report and provide comments/feedback on inputs to the 2015/16 report.

Update: MM confirmed that feedback had been received and he thanked the individuals who had responded and it was then agreed this action could be closed. **Closed.**

SF0801: National Grid Distribution (MM) to circulate the 'AGI venting survey data capture proforma' to the DNs.

Update: MM confirmed that the AGI venting survey data capture pro forma had been circulated to the DNs. MM explained that this pro forma was more of a general site checklist and didn't focus solely on the equipment, as it was seen as an opportunity to gather further information. MM confirmed that other off line conversations had taken place and it was agreed that this action could now be closed. **Closed.**

SF0802: Northern Gas Networks (GG) to provide an updated timetable for Shrinkage Events covering the period 2016 to Q1 2017.

Update: MM proposed that this action could be closed as the timetable had been provided for discussion at this meeting. MM stated that JM with the other DN's had done considerable work in this area. It was agreed that this action could now be closed. **Closed.**

SF0803: *Smart Metering Report Update* - WWU (IM) to circulate information on the way forward.

Update: MM stated that this information had been circulated off line and he suggested this item should be added as an agenda item for the next meeting to keep it in view. It was then agreed this action could be closed. **Closed.**

2. 2016/2017 Timetable

Further to the provision of the proposed timetable under Action SF0801, the participants considered the format and detail of the timetable. NA proposed that it would be useful to have the end consultation date included within the standard 30 days period. NA also asked if the Inventory Review was going to be published and if so, would this be published before the consultation period. MM stated that a review exercise was being undertaken with regards to all the information that was going to be provided. CN also stated the Shrinkage Period will be monitored and that this information will be published for the Shrinkage Forum. Participants agreed this was a logical way forward.

3. 2015/2016 Shrinkage Proposals for December

MM stated he would like this topic to be kept on the agenda for future meetings. MM then explained the data will be collated in November and the proposals would be published in December 2015.

4. Annual Shrinkage and Leakage Model Review Update

MM wanted to thank NA and the other stakeholders, together with the DNs for their feedback regarding formulating the consultation document, which was published on 13 November 2015. MM explained that an email had been sent via ENA asking for feedback from circa 700 individuals within the industry. CN stated that the purpose was to undertake an up front opinion poll and there was still time for feedback and comments from the industry.

5. July 2016 Shrinkage and Leakage Smart Metering Report

General discussion took place regarding the fact this topic was linked to Action 0803. MM stated that updates would be supplied as and when was appropriate, as work continued to be being undertaken off line.

6. Interference Damage Modification Update

MM confirmed that the consultation period ended on the 08 October 2015 and that one response had been submitted from British Gas. MM stated that this representation had been received on 26 October 2015. CN explained this was being looked at with a view to amending the proposed changes. CN stated that the feedback had expressed concerns with regards to the interference and impact on Unidentified Gas and Shrinkage. CN explained that if the interference damage was significant in the last period of RIIO, this could wipe out the good performance in the previous year. CN stated that this area was investigated specifically with regards to the incentive calculations, and he stated that the Shrinkage cost determinations, would be unchanged.

MM and CN stated the next steps were to incorporate the feedback into the proposals and re-issue it for consultation in approximately 4 weeks time.

7. Any Other Business

1.1. Scope of Shrinkage Forum

MM explained that he had received an email from the Joint Office, regarding the format and structure of future Shrinkage Forum meetings, concerning the dwindling attendance levels of Shippers.

General discussion took place and it was agreed to consider what the terms of reference should be for this meeting and MM proposed it would be useful to have an 'end to end' walk through to enable re-engagement to take place.

NA stated that due to the complexity of each element, it would be helpful to have more information available to give further clarity. MM agreed this would be a good idea to

underake a 'deep dive' to ensure the stakeholders had a detailed overview of the subjects being discussed. General discussion took place regarding the briefing document which was created more than 2 years ago by Roy Malin. It was agreed that it would be useful to consider this document again. NA also stated that it would be helpful to know about the RIIO pipe replacement work and how it links in with Shrinkage. CN agreed that this was a good idea and would be useful.

BF suggested the profile could be raised in the performance regime proposed by Modifications 0506/0506A which had recently gone out to consultation. BF explained that the Proposer was also looking into a Transporter performance related modification, and it would be useful to understand the areas covered by licence and RIIO and those that could be influenced by a modification. BF stated that once the Performance Assurance regime had been established next year, then Shrinkage could be briefed within that framework. CN and MM both thought this was a good idea.

1.2. Next Meeting

MM wanted to clarify if the Shrinkage Forum members were happy to wait until the February meeting, with regards to the Shrinkage proposals. All were in agreement that the next meeting on 03 February 2016 would be a face to face meeting.

8. Diary Planning

None other than the 03 February 2016 meeting agreed.

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

| Time/Date | Venue | Programme |
|--------------------------------------|------------------------------------|---|
| 10:30, Wednesday 03 February 2016 | 31 Homer Road, Solihull B91 3LT | <ul style="list-style-type: none"> • Timetable 2016/2017 • 2015/2016 Shrinkage Proposals • Annual Shrinkage and Leakage Model Review Update • July 2016 Bi-Annual Shrinkage and Leakage Smart Metering Report • Interference Damage Modification Update • AGI Venting Update • Medium Pressure Modification Update |
| March 2016 | Teleconference | <i>To be confirmed</i> |
| June 2016 | Teleconference | <i>To be confirmed</i> |
| August 2016 | Teleconference | <i>To be confirmed</i> |
| October 2016 | Teleconference | <i>To be confirmed</i> |