

Workgroup 0378
Greater Transparency over AQ Appeal Performance
Minutes

Monday 06 June 2011

at 31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Tim Davis (Secretary)	(TD)	Joint Office
Cesar Coelho	(CC)	Ofgem
Chris Warner	(CW)	National Grid Distribution
Darren Lindsay	(DL)	E.ON UK
David Watson	(DW)	British Gas
Gareth Evans	(GE)	Waters Wye
Joanna Ferguson	(JF)	Northern Gas Networks
Jon Wisdom	(JW)	RWE npower
Karen Kennedy	(KK)	Scottish Power
Linda Whitcroft	(LW)	Xoserve
Lisa Harris	(LH)	Shell
Mark Jones	(MJ)	SSE
Stefan Leedham	(SL)	EDF Energy
Steve Mulinganie	(SM)	Gazprom
Sue Prosser	(SP)	Xoserve

1. Introduction and Status Review

Copies of all papers are available at www.gasgovernance.co.uk/0378/060611.

1.1. Minutes from the previous meeting

Minutes from the 17 May meeting were accepted.

1.2. Review of actions from previous meetings

WG0501: Provide mock reports containing initial information for consideration at next meeting.

Action Update: DW tabled a document at the meeting – see below.
Closed

WG0502: Define data items and circulate for review.

Action Update: DW suggested that definitions be considered while reviewing the document provided for Action 0501. **Carried Forward**

WG0503: Revise modification to reflect comments/suggestions

Action Update: DW confirmed changes would be made. **Carried Forward**

2. Discussion

DW introduced the document he had brought to the meeting. The document sets out the reports that British Gas believes are required, and the modification will be amended to reflect this coverage. The proposed reports are based on adapting

the present Mod81 reports to capture information regarding AQ Appeals. KK questioned whether this would therefore be for LSPs only, and this was confirmed – although there may be some SSPs impacted, for example threshold crossers.

DW then described the proposed tables, developed from the Mod81 reports but to apply to AQ Appeals. At present these referred to State, as opposed to Shipper, as a means of providing anonymity, although the modification will also propose to remove anonymity. CC questioned which gas year would be covered – the Mod81 Reports apply to the gas year in which they are received whereas Appeals data would be backward looking, with LW emphasising that amendments become effective on the date they are confirmed. SM questioned the intention and whether this meant that the proposed link to the AQ Review process timetable is appropriate. DW agreed the timing merits clarification; both in terms of when reports are provided and which period they cover. However, his intent remained for the report to be produced in November and cover the previous Gas Year.

MJ was concerned that the modification may have retrospective aspects.

In the reports showing movements between EUC bands, TD noted that the format suggested there would be no aggregation but would show each individual appeal. SP indicated that the intent was to aggregate Appeals by each Shipper in each EUC band.

DW agreed to check the intended definition of Meter Point in Report 6.

Action 0601: British Gas (DW) to confirm site definition – Meter point/Supply Point/Supply Meter Point

SL suggested that some pieces of information were not covered in the proposed reports and the reports could, as a result, be misleading. In particular, a holistic view would not be available of activity across the whole process – with some Shipper activity potentially being low in the amendments process because of greater Xoserve activity prior to this. Publishing the Transporter's proposed and the final average AQ by EUC Band by LDZ would be a potential starting point – showing the level of change at this stage. SM was concerned this may reveal commercially sensitive information given the small number of sites involved for some Shippers. However, SL emphasised that numbers of sites would not be published, such that averages would not identify specific sites.

GE was not convinced useful information would be revealed, nor how the data could be interpreted effectively. SL thought this would be the same as following the amendments process, showing changes for whatever reason but across the whole process.

SM evinced that accurate and regular read provision was the fundamental issue. He felt that providing accurate data meant that there were likely to be few amendments on appeals. As such, he agreed with SL that partial reporting might produce a misleading impression.

DW said he was not against the form of report that SL had outlined, which SL confirmed Xoserve had provided to EDF historically and so should be readily available. LW questioned, however, how losses and gains might be reported and whether these should be separated. SL believed that looking solely at movements in averages was sufficient.

It was recognised that interpreting the reports would not be straightforward. DW suggested that the intention was to trigger questions and so potentially identify any areas where the process is not being used appropriately. KK and SM were concerned about the level of effort that might be put into interpreting the data and each company defending and explaining what it had done. SL felt the key was

making data available and the question of how this was used could be considered separately.

DL felt that there may be merit in clarifying the rules surrounding the appeals process, and supported the view that data on the scale of use and impact may not be an indicator of good or bad practice as opposed to different strategies. DL also suggested there would be merit in reporting appeals that had not been confirmed. SM felt there may be a contractual reason for this, such as if the AQ is defined within a supply contract. DW indicated that he had removed this from scope since the intention was to identify the bigger picture and he did not feel this detail would add valuable information.

DW agreed to speak to SL about the structure of the report he envisaged and would include this in the modification if he concluded that was appropriate, which he expected to be the case given the discussion.

Action 0602: British Gas (DW) to speak to EDF regarding an additional report, and include within 0378 if appropriate

Anonymity was discussed. SL believed it is relatively easy to identify the larger players from the information that is already published. However, SM was concerned that allowing identification of smaller players in the competitive market could be inappropriate. He agreed to consider this with other ICOSS members with a view to bringing forward a shared view. However, DW did not believe that the data could be regarded as commercially sensitive and that the removal of anonymity was an appropriate part of the modification. From Ofgem's perspective, CC would be particularly keen that any concerns about commercial sensitivity were explained by those affected in addition to those who consider the removal of anonymity would be an advantage.

GE suggested that the very small players, who are not generally represented in Workgroups, are particularly at risk of having a severe resource burden placed upon them through a challenge process. JW supported this in that he was looking for a process that identified actions that have a significant market impact, which is unlikely to be the case for the smallest players. SL also felt a degree of grouping may be helpful, such as where a group holds multiple licences. MJ suggested that partial anonymity might be appropriate, such as in some EUC bands but not others. LW drew attention to Report 10, which may be the most revealing since it includes MPRN numbers.

Action 0603: Gazprom (SM) to ascertain views of ICOSS members regarding anonymity

SL suggested that, to assist in comparing year on year data, removing anonymity would be useful. In addition, revealing historic data would be helpful to provide a benchmark, potentially including removing anonymity from previously published information.

Action 0604: All to provide feedback on the Mod 0378 and proposed reports, including anonymity

3. AOB

None raised.

4. Diary Planning for Workgroup

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

The next Workgroup 0378 meeting will take place on 06 July 2011 at 31 Homer Road, Solihull B91 3LT.

Action Log - Workgroup 0378

Action Ref	Meeting Date(s)	Minute Ref	Action	Owner	Status Update
WG 0501	17/05/11	4.	Provide mock reports containing initial information for consideration at next meeting.	British Gas (DW)	Complete. Closed
WG 0502	17/05/11	4.	Define data items and circulate for review.	British Gas (DW)	Due by 27 June for discussion on 6 July
WG 0503	17/05/11	4.	Revise modification to reflect comments/suggestions.	British Gas (DW)	Due by 27 June for discussion on 6 July
WG 0601	06/06/11	2.	Confirm site definition – Meter Point/Supply Point/Supply Meter Point	British Gas (DW)	Due by 27 June for discussion on 6 July
WG 0602	06/06/11	2.	Speak to EDF regarding an additional report, and include within 0378 if appropriate	British Gas (DW)	Due by 27 June for discussion on 6 July
WG 0603	06/06/11	2.	Ascertain views of ICOSS members regarding anonymity	Gazprom (SM)	Due by 27 June for discussion on 6 July
WG 0603	06/06/11	2.	Provide feedback on Mod 0378 and proposed reports, including anonymity	All	Due by 27 June for discussion on 6 July