

**Workgroup 0388**  
**Fixed parameters for determining Shipper contribution to Unidentified Gas**  
**Minutes**  
**Friday 05 August 2011**  
**via teleconference**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alex Ross	(AR1)	Northern Gas Networks
Andy Miller	(AM)	Xoserve
David Watson	(DW)	British Gas
Gareth Evans	(GE)	Waters Wye Associates
Stefan Leedham	(SL)	EDF Energy

**1. Introduction**

*Copies of all papers are available at [www.gasgovernance.co.uk/0388/050811](http://www.gasgovernance.co.uk/0388/050811)*

BF welcomed attendees to the meeting.

**2. Outline of Modification 0388 – Fixed parameters for determining Shipper contribution to Unidentified Gas**

It was noted that this had been the subject of general discussion at the last Distribution Workgroup.

There were no further questions regarding the modification.

**3. Consider Terms of Reference**

There were a number of comments on what should constitute quorate meeting, as Transporters have no interest in the meeting, therefore should two be required for this purpose. Members agreed to consider this further during the Governance Workgroup.

**4. Discussion**

**4.1 General**

GE pointed out that he was uncertain if User Pays costs would be incurred (or the magnitude). The proposer was prepared to underwrite to a certain level but beyond that would have to reconsider the position. AM stated that it was premature to estimate at this point, but did not believe that costs for developing the mechanism for apportionment of the gas on the new proposed basis would be greater than £100k, as it was a fairly straightforward and less data intensive solution than for Modification 0229.

Having noted there was no ROM, AR suggested including the costs already shown for the implementation of Modification 0229. In terms of the larger picture, the amount to be smeared would be minimal, and it would be less complicated from an accounting perspective. If it was less than £100k then it could be considered as an AUG related implementation cost.

The impact of the proposal was then discussed. SL believed it passed risk and cost from LSP Shippers to SSP Shippers and exposed them to risks that LSP Shippers could hedge against through alternative means.

GE did not agree that it passed risk, but believed it changed the nature of the price risk; the links were being broken between the SAP cost variant and UAG cost. SL pointed out that SSPs were exposed to variations in SAP and disagreed that this would be to an SSP Shipper's benefit.

AR confirmed there was very little impact on the Transporters.

#### **4.2 Completion of Workgroup Report**

The statements in the Workgroup Report were reviewed and the divergent views of the members were clarified for inclusion.

AM observed that there may be requirement, in the absence of ICIS Herren, to make sure that there is a future provider of data and that Xoserve will be able to gain access to from the relevant party.

AR confirmed that the legal text was not yet available, but hoped to provide it in time for the consultation phase. GE stressed that it was important that the progress of this modification should not be delayed by an inability to produce legal text prior to consultation; this would only add to the cost.

BF pointed out that the UNC Modification Panel would determine if a cost estimate or legal text was required for consultation.

The Workgroup would invite the Panel to agree that Modification 0388 be submitted for consultation without the provision of legal text due to the proposed implementation timescales.

The Workgroup Report was then completed.

#### **5. Diary Planning for Workgroup**

No further meetings required.