

Workgroup 0391 - Distributed Gas Charging Arrangements

Workgroup Minutes

Monday 23 January 2012

via teleconference

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
John Edwards	(JE)	Wales & West Utilities
Richard Pomroy	(RP)	Wales & West Utilities
Steve Armstrong	(SA)	National Grid Distribution
Will Guest	(WG)	Northern Gas Networks

Copies of all papers are at: <http://www.gasgovernance.co.uk/0391/230112>.

1. Introduction and Status Review

TD welcomed all to the meeting and noted that it was not quorate, with no Shippers represented.

2. Discussion

2.1 Proposal for DN Entry Charging – Assessment of Options

SA advised that he had spoken to Xoserve to obtain an early indication of potential implementation costs of Option 1b. Xoserve suggested that the change could be expected to be similar in magnitude to the introduction of ECN charges, and hence a cost of circa £800k to £1.5m was likely in order to support a new transportation entry charge/credit. There would be also be ongoing operational costs.

The alternative Option 1 approach would rely on connection charge processes and SA believed this could be implemented at lower cost than the Option 1b expectation – with connection charge arrangements being made separately by each DN and targeted on the entry facility rather than a central Xoserve based solution being adopted and applied via Shippers. However, he noted that there could well be ongoing operational costs, especially if odourisation is involved, and this would require considerable to change to the connection charging regime.

Both SA and RP felt that further analysis of the options was required in order to establish both feasibility and costs of the alternatives, as well as any difference in the benefits. The DNs agreed to develop more details for presentation in about a month's time.

3. Any Other Business

None.

4. Diary Planning for Workgroup

The Joint Office is to arrange a further meeting for the second half of February, preferably in London.

Action Log – UNC Workgroup 0391

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
WG0391 11/001	15/11/11	2.1	To prepare a set of draft business rules based on workgroup discussions and any feedback ready for consideration at a follow up meeting in early 2012.	National Grid Distribution (SA)	Update to be provided. Carried Forward
WG0391 01/001	09/01/12	2.1	Identify implementation costs associated with Options 1 and 1b	National Grid Distribution (SA)	Update to be provided. Carried Forward