

Review Group 0131 Minutes
Wednesday 22 August 2007
31 Homer Road, Solihull, B91 3LT

Attendees

Julian Majdanski (Chair)	JB	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Stefan Leedham	SL	EDF Energy
Alison Chamberlain	AC	National Grid Distribution
Brian Durber	BD	E.ON UK
Chris Hill	CH	RWE npower
Claire Thorneywork	CT	National Grid NTS
Joel Martin	JMa	Scotia Gas Networks
Linda Whitcroft	LW	xoserve
Richard Wilson	RW	NTS Shrinkage Manager
Marie Clarke	MC	Scottish Power
Rob Cameron-Higgs	RCH	Northern Gas Networks

Apologies

Simon Trivella ST WWU

Meeting quorate.

1 Review of Minutes and Action

1.1 Review of Minutes

The minutes of the previous meeting were approved.

1.2 Review of Actions

Action 0010: ST to raise a topic at the OA Workstream to review areas of the OAD which are linked to Review Group 0131 issues.

Action; Compete

Action 0011: SL to produce a flow chart showing the proposed process and, in conjunction with the Joint Office, first draft of the Review Group Report including a draft Modification Proposal

Action: Complete

2 Review Group Discussion

SL provided a presentation considering the issues that were raised at the last meeting relating to Expert Determination and Governance of the process document.

SL offered a further option for Expert Determination, whereby an independent expert calculates the MER. This was supported at the Offtake Workstream however SL pointed out that only two Transporters were present at the meeting. RW confirmed he provided a response relating to the exit point for the expert to withdraw from the process and whether the expert would be in a position to consider the commercial implications.

RW expressed concern over protracted Expert Determination.

CT believed that there should be a time limit for the expert to select the methodology but acknowledged that time taken for the provision of data would be a different issue.

SL considered that, due to differing complexities, the expert's decision on the methodology may be hindered by having a limit on time.

RCH asked for clarification from CT whether her concerns were that new issues being raised would result in the time frame being slipped

CH suggested that to stop this happening, there could be a timeframe which could only be extended, by request of the expert and with the approval of the Offtake Committee.

CT expressed a concern that the Terms of Reference for the appointment of experts may need to be considered in more detail.

RCH confirmed that it should be possible to set a standard set of Terms of Reference/Scope similar to that of the RbD audit process, however AC pointed out that such Terms of Reference for the RbD audit is possible due to the static nature of the process.

JMa confirmed that the Terms of Reference would be set by the Offtake Committee to produce an appropriate Terms of Reference for each individual case.

CT believed that a defined set of Business Rules needed to be established.

JM highlighted that a set of Business Rules have been drafted as an appendix to the Review Group Report which will now need to be reconsidered and amended.

SL confirmed that the process principle needs to be agreed before the Business Rules can be amended and the objective of today's meeting ought to be to agree a principle to allow the development of the business Rules.

RW suggested that Expert Determination may wish to be brought in only when Meter errors are greater than 50GWhs.

LW asked for clarification whether the Expert Determination could be appealed. BD and SL confirmed that it would be final and binding, which is why a totally independent expert would be selected.

RCH questioned the payment of the expert. RW confirmed that the cost will be covered by the Relevant Transporter.

A discussion evolved around the choice of the expert and whether this ought to be made by the Relevant Transporter so that they could consider the most appropriate expert and the cost. However RW believed that it may not be possible to understand all potential costs prior to the appointment decision.

JM noted that the proposal was for the Offtake Committee to make the decision.

A discussion ensued about the appointment of an independent expert. RCH posed a question whether a nominated expert will be rejected if for example they worked for Untied Utilities who have a 15% share of Northern Gas Networks. JM also gave the example of Advantica who are affiliated to National Grid.

Action 0012: RCH to enquire about the ability to restrict Companies from being added to the list of independent experts.

RW provided a Process Flow Diagram and highlighted the changes made to the previous flow diagram. RW highlighted that there is a need for an exit point for the expert. SL expressed a concern that within the process flow diagram the Transporter had been included in some of the decision boxes, and that the reference to the Relevant Transporter ought to be removed.

RCH believed that the expert will in reality need to liaise with the Relevant Transporter, however SL highlighted that this should be limited to the provision and understanding of the data required and that the expert should not be discussing the findings with the Relevant Transporter as this should be provided to the Offtake Committee.

RW acknowledged suggested amendment to the process flow diagram.

Action 0013: SL and Joint Office to amend/update the Review Group Report and Ancillary document to reflect discussions held and publish before the next meeting inviting comments in preparation for September's meeting.

SL confirmed the governance arrangements for the Ancillary documents to the OAD and TPD was discussed at the Offtake Workstream. He suggested keeping the OAD as a Transporter document but having a reference in the TPD to the OAD with the Governance sitting under the UNC Committee.

2 Diary Planning for Review Group

11:30, Tuesday, 25 September 2007, 31 Homer Road, Solihull, B91 3LT.

3 AOB

None.

APPENDIX A.**ACTION LOG - Review Group 0131**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0131 0010	30/05/07	1.1	ST to raise a topic at the OA Workstream to review areas of the OAD which are linked to Review Group 0131 issues.	WWU (ST)	Action: Complete
RG0131 0011	30/05/07	2.13	SL to produce a flow chart showing the proposed process and, in conjunction with the Joint Office, first draft of the Review Group Report including a draft Modification Proposal.	EDF (SL)	Action: Complete
RG 0131 0012	22/08/07		RCH to enquire about the ability to restrict Companies from being added to the list of independent experts.	NGN (RCH)	Action: Pending
RG 0131 0013	22/08/07		SL and Joint Office to amend the Review Group Report and Ancillary document to reflect discussions held and publish before the next meeting inviting comments in preparation for September's meeting.	EDF and Joint Office (SL and JM)	