

**Review Group 0131 Minutes**  
**Wednesday 30 May 2007**  
**Holiday Inn Solihull, 61 Homer Road, B91 3QD**

**Attendees**

John Bradley (Chair)	JB Joint Office
Alan Raper	AR National Grid Distribution
Brian Durber	BD E.ON UK
Chris Hill	CH RWE npower
Joel Martin	JM Scotia Gas Networks
Karen Kennedy	KK Scottish Power
Karen Marklew	KM xoserve
Ndidi Njoku	NN Ofgem
Paul Gallagher	PG National Grid NTS
Simon Trivella	ST WWU
Stefan Leedham	SL EDF Energy
Steve Pownall	SP National Grid NTS
Tim Davis	TD Joint Office

**Apologies**

Julian Majdanski	Joint Office
Helen Cuin	Joint Office
Rochelle Hudson	Centrica

**1 Review of Minutes and Action**

**1.1 Review of Minutes**

The Minutes of the previous meeting were approved as a record of the meeting. BD asked whether any action had been agreed with respect to SL's question regarding a review of the OAD, for example because some of the deadlines appeared unrealistic. The links between the work of Review Group 0131 and the OAD were recognised and it was agreed that an Offtake Arrangements Workstream topic should be raised to facilitate a wider debate beyond the remit of 0131.

**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.

**1.2 Review of Actions**

**Action 0001:** CT to establish what the NExA and Ancillary Agreements process is and update the Review Group at the next meeting.

**Action Update:** SP confirmed that 8 agreements have been identified and that these were provided to the Joint Office for publishing on their website

**Action: Closed**

**Action 0004:** All to consider the trigger for notification, at what stage and any issues.

**Action Update:** Covered on agenda.

**Action: Closed**

**Action 0005:** JM to ensure UNC Committee consider the re-convening of the Offtake Committee.

**Action Update:** Complete

**Action:** Closed

**Action 0006:** JM to request the UNC Panel that the Offtake Workstream meetings are conducted following the Offtake Committee Meetings.

**Action Update:** Complete

**Action:** Closed

**Action 0007:** All to consider if there should be two processes or a single process in terms of the UNC.

**Action Update:** It was agreed there should be two.

**Action:** Closed

**Action 0008:** Transporters to provide a summary of the end-to-end process from the production of a validation report to the production of a meter error report.

**Action Update:** Superseded by an action agreed at the Offtake Arrangements Workstream.

**Action:** Closed

**Action 0009:** JM to request an extension at the April UNC Panel, to enable the Offtake Committee and Offtake Workstream to meet before the next Review Group meeting.

**Action Update:** Panel agreed to extend the deadline for reporting to August.

**Action:** Closed

## 2 Review Group Discussion

- 2.1 SL presented on potential ways forward. The first option was Shipper involvement pre-MER, and SL summarised the advantages and disadvantages. ST expressed some concern about involving Shippers before the issue was clear and finalised. JM emphasised there would often be an independent validation report, and was unclear how this would fit in with a further party being involved – four bodies potentially being involved in any “audit” could create overlap and inefficiency.
- 2.2 BD said that transparency was more important than involvement. There would inevitably be concerns about the true independence of any independent report commissioned by the Transporters, as in any other area. Visibility would help to alleviate concerns and allay suspicions even in the absence of direct involvement. SP suggested there was a potential issue in that the Transporters may not be in agreement about the error, and questioned whether it would help for early sight to be given of this rather than awaiting an agreed Transporter position. SL accepted this was a real practical issue and that this should be taken forward through the Offtake Arrangements Workstream with a view to identifying the appropriate trigger for getting Shippers involved.
- 2.3 It was accepted that some pre-notification would be helpful, and the information which ST had agreed to provide would help to identify the appropriate trigger. However, the nature of “involvement” after notification was unclear. SL and BD again made it clear that their interests were not to get into the detail or to be directly involved in the production of the MER, but awareness and transparency was the key. Shippers would not be able to stop the process, but it would help them if there was a heads-up on the likely scale and timeline for resolution of an error. AR asked if a one side summary would help? SL said this would be a welcome step forward, but may

lead to other questions and so not be sufficient – a fuller report could help to head off questions and increase confidence.

- 2.4 SL moved on to look at the advantages and disadvantages of Shipper involvement post-MER. The fear for Shippers was that this could be too late and potentially created missed opportunities should Shippers identify concerns if the pre-MER processes were more transparent. Early involvement could reduce the end to end effort for all by reducing duplication and increasing both transparency and confidence – with Farningham providing an example of questions being asked late in the process which almost certainly duplicated questions asked earlier by the Transporters. With more pre-MER involvement, SL saw the prospect of a shortened post-MER process. The end may still be a dispute, but you could get there quicker.
- 2.5 SL summarised a proposed way forward, with three steps agreed as the appropriate approach to develop:
- 2.6 Step 1: Publication of initial information as suggested by WWU
- 2.7 Step 2: Undertaking by Transporters to provide information to impacted Shippers when available
- 2.8 Step3: Creation of a Sub-committee of the Offtake Committee to discuss particular meter errors
- 2.9 For post MER involvement, it was agreed that a meeting under the auspices of the Offtake Committee (potentially a formal sub-Committee) should be held following submission of a final MER, with 10 business days notice of the meeting being given and relevant information published at least 5 business days in advance. The Committee would decide whether the error is ready to be progressed or whether further work is required, based on a majority vote of the Shippers present at any meeting.
- 2.10 The Committee could also be involved pre-MER to consider any emerging issues. JB asked whether SL's ambition was to get involved when a near final draft of the MER was available? SL accepted that defining the trigger was problematic and was potentially case specific as in the biggest cases Shippers would welcome being involved earlier than in the smaller cases. The idea was not to delay or create restrictions but just to share information. If the answer to a request for information was that it was not yet available, that was likely to be acceptable. A process which was tantamount to a second audit was not the intention as opposed to transparency. It was generally accepted that this could be useful, although difficult to define.
- 2.11 The need to put limits on the information which the Transporters might be required to produce were discussed, along with timing requirements for either providing the information requested or giving an explanation as to why it could not be provided in the required timescale (say 5 business days).
- 2.12 The desirability of identifying impacted Shippers and associated Shipper voting rights was also discussed, both voting within the Committee discussing the error and subsequent voting when the MER had been finalised. SL clarified that his intent would be for a final vote to be taken at any meeting as to whether or not the reconciliation should proceed. SP questioned what grounds could exist for any challenge if the Shippers had been involved earlier and the transporters had based their proposals on an independent report, which would be technical in nature. Expert Determination remained an option under the UNC if Shippers wished to pursue this route. ST also emphasised that the DNs have every incentive to try and deal with all errors as quickly as possible – if Shippers could vote to delay the process, that may be unwelcome.
- 2.13 SL suggested he was trying to build on the 0643 process, whereas SP said the group should look to replace the 0643 process. Earlier involvement should mean that some

of the later checks provided within 0643 could be dispensed with. SL continued to have a preference for a final check to be allowed for through a voting process as under 0643. JM asked why not just go straight to Expert Determination if a dispute remained? SL said this was costly and to be avoided if possible. ST also suggested that it was worth bearing in mind how infrequently a technical report had been challenged on technical grounds. SL suggested we should expect the unexpected, allowing for extreme circumstances. ST was more concerned with unintended consequences by incorporating a mechanism which may be used in different ways to the Group's present intention, and the potential for the process to be extended.

- 2.14 ST and JM were unclear what might happen were an opportunity to be provided for views to be invited and a vote taken – if questions were raised and time allowed for answering them, what would happen during this period or if queries had not been answered to Shipper's satisfaction? SL agreed that the intent was to allow any Shipper to trigger a ten business day delay at the end of the process, irrespective of any vote.
- 2.15 SL suggested the group had reached a point where a Review Group Report could be drafted. AR suggested that a flow chart demonstrating the proposed end to end process might help to highlight the proposed approach and elucidate the issues which remain to be resolved. JB ran through the Terms of Reference to identify any areas which the Group felt remained to be covered and whether sufficient progress had been made to draft a Report.
- 2.16 A discussion of the end to end process ensued to clarify what was envisaged and the triggers for varying steps before it was agreed that SL would produce a flow chart and, in conjunction with the Joint Office, first draft of the Review Group Report. It was also accepted that an element of judgement was needed as to when to trigger the proposed process rather than specifying particular limits. SL proposed that, apart from any automatic trigger, the process could be triggered by any Transporter or two Shippers requesting that it should happen.

**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**

- 2.17 AR questioned there was any need to modify the UNC for what is essentially a process and when some flexibility may be needed in practice. SL said that Shippers wanted some confidence and hence he was looking towards key steps being defined in the UNC, giving more formal governance than exists under the 0643 process. JB suggested a facilitating UNC Modification might be possible, referring to guidelines which could sit under the jurisdiction of the Uniform Network Code Committee.

### **3 Diary Planning for Review Group**

10:30 11 July, Solihull area

### **4 AOB**

None.

## APPENDIX A.

## ACTION LOG - Review Group 0131

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0131 0001	14/03/2007	2.0	CT to establish what the NExA and Ancillary Agreements process is and update the Review Group at the next meeting.	National Grid NTS (CT)	Action: Closed
RG0131 0004	04/04/2007	2.0	All to consider the trigger for notification, at what stage and any issues.	All	Action: Closed
RG0131 0005	04/04/2007	2.0	JM to ensure UNC Committee consider the re-convening of the Offtake Committee.	Joint Office (JM)	Action: Closed
RG0131 0006	04/04/2007	2.0	JM to request the UNC Panel that the Offtake Workstream meetings are conducted following the Offtake Committee Meetings.	Joint Office (JM)	Action: Closed
RG0131 0007	04/04/2007	2.0	All to consider if there should be two processes or a single process in terms of the UNC.	All	Action: Closed
RG0131 0008	04/04/2007	2.0	Transporters to provide a summary of the end-to-end process from the production of a validation report to the production of a meter error report.	Transporters	Action: Closed
RG0131 0009	04/04/2007	2.0	JM to request an extension at the April UNC Panel, to enable the Offtake Committee and Offtake Workstream to meet before the next Review Group meeting.	Joint Office (JM)	Action: Closed
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)	
RG0131	30/05/07	2.13	SL to produce a flow chart showing the proposed process	EDF (SL)	

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0011			and, in conjunction with the Joint Office, first draft of the Review Group Report including a draft Modification Proposal		