

Review Group 0178 Minutes
Friday 22 February 2008
Renewal Conference Centre, Solihull

Attendees

John Bradley (Chair)	JB	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Sallyann Blackett (Proposer)	SB	E.ON UK
Bali Dohel	BD	Scotia Gas Networks
Chris Warner	CW	National Grid Distribution
Fiona Cottam	FC	xoserve
James Boraston	JBo	RWE
James Crump	JC	Ofgem
Joanna Ferguson	JF	Northern Gas Networks
Karen Kennedy	KK	ScottishPower
Louise Hellyer	LH	Total Gas & Power
Mark Jones	MJ	SSE
Mark Linke	ML	Centrica
Nigel Nash	NN	Ofgem
Phil Lucas	PL	National Grid Distribution
Richard Myers	RM	Total Gas & Power
Richard Street	RS	Corona Energy
Stefan Leedham	SL	EDF Energy

Apologies

Simon Trivella	ST	Wales and West Utilities
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Introduction and Status review

1.1 Minutes from previous meeting

The minutes of the previous meeting were approved.

1.2 Review of Actions from previous meeting

Action RG0178 011: xoserve (FC) to provide gas cost analysis (between weekdays and weekends) for consideration at the next meeting.

Action Update: See item 2.1

Action: Complete

Action RG0178 012: xoserve (FC) to provide the statistical analysis to support her estimated figures for Meter Point Reconciliations at the next meeting.

Action Update: See item 2.2

Action: Complete

Action RG0178 013: WWU (ST) to sample the I&C/Domestic 'blanks' to ascertain the proportion of non blanks involved, and provide an update at the next meeting.

Action: Carried Forward

2. Review Group Discussion

2.1 Gas Cost Analysis

FC provided a spreadsheet illustrating the gas cost analysis (between weekdays and weekends) using SAP prices 2006/07. She concluded that the Gas price analysis did not provide a substantial reason to reassign the demand profiles to reflect domestic and non-domestic Market Sector types.

RS disagreed and that the Gas price does have an impact. He believed that SAP was not reflective of the gas price paid by Shippers. He questioned if there would be benefit in conducting an additional analysis using a more suitable gas price other than SAP. SL agreed with RS that SAP is used for cashing out but Shippers have to purchase the gas at the market price.

Action RG0178 014: RS to provide a gas cost analysis (between weekdays and weekends) using an alternative gas Price to SAP.

2.2 Meter Point Reconciliation – statistical analysis figures

FC provided some statistical analysis to illustrate the impact to Meter Point Reconciliations. FC explained that there are more I&C Small Supply Points than I&C Large Supply Points therefore this proposal could double the numbers involved for reconciliation.

FC concluded that moving I&C SSPs to Meter Point Reconciliation would represent a 41% increase in volumes. If both I&C SSPs moved into Reconciliation, and Domestic LSP moved into RBD the net increase would be 35% based on current read performance.

RS asked if the technology refresh would have an impact on volume capabilities. It was concluded that it was too early to assess this.

2.3 National Grid Distribution Issues Presentation

CW provided a presentation that covered the issues surrounding the Proposal. He confirmed that the Transporter would not be able to fully validate the division of domestic and non domestic site usage.

CW questioned the extent of the Review Group's scope. SB confirmed that there is an opportunity to align the code requirements regarding nominations and confirmations or a confirmation only process for the split between domestic and non domestic sites.

CW highlighted a similar Network Code proposal raised by BP which concluded there were insufficient drivers for change. RS confirmed that the Network Code 0700 Proposal was deemed too expensive considering the system capabilities at that time. However with the UK Link technology refresh this now may be possible.

SL suggested a flag could be used for current LSPs that are domestic with a LSP AQ. The concept of using a flag was discussed particularly the importance of the current flag for reconnection Standard of Services. RS understood that a flag would have to be used to distinguish between domestic and I&C sites.

SB highlighted the benefits of the proposal particularly for Suppliers who want to target domestic customers only. For domestic Suppliers the change would align all UNC processes for example the confirmation only process and file flows.

CW indicated a change driven by usage opposed to AQ would potentially require the re-confirmation of entire portfolios. He also highlighted that Meter Reading and AQ calculation rules would need to be altered.

CW also expressed a concern regarding CSEPs and that the current processes do not provide the DNs with Supply Point level of data. He explained the use of Logical Meter Numbers (LMNs) for CSEPs and the impact this change would have for iGTs who would have to request separate LMNs for each non-domestic SSP.

SB suggested that a domestic and non domestic market split would allow parties to concentrate on appropriate markets and legislative requirements and potential future legislation changes.

NN believed that it was appropriate for the means of settlement to ensure sites are allocated against the appropriate load profile.

MJ expressed concern that you could have a very large domestic Supply Point with a large consumption that is not individually reconciled. RS suggested that an AQ limit could be set independently of usage for reconciliation purposes.

SL believed that there are a number of alternative solutions for the proposal and that currently there appears to be no clear way forward.

NN referred to a previous meeting where it was suggested that the 2500therms / 73,200kWh threshold may want to be reconsidered. FC confirmed the vast majority of domestic supply point consume less than 30,000kWhs.

JB suggested that the varying scenarios need be drawn up and the advantages, disadvantages, risks and obligations of each considered. It was acknowledged that the costs for each would not be possible to ascertain at this early stage.

Action RG0178 015: JB and SB to summarise the varying scenarios/solutions and the advantages, disadvantages, obligations and risks with each.

2.4 I&C / Domestic 'blanks' Analysis

Agenda Item postponed until March Meeting - Action RG0178 013 Carried Forward.

2.5 Reconciliation Volume Impacts – xoserve presentation

See item 2.2 above.

3. Workplan

JB confirmed a draft Review Group Report had been produced which he acknowledged would need further amendments following today's discussions; however he believed this draft report would provide a focal point.

JB asked all to review the draft Review Group Report and provide any comments.

Action RG0178 016: All to review the Draft Review Group Report available on the website.

4. Diary Planning for Review Group.

It was agreed to cancel the meeting on the 28 March 2008 and reschedule the meeting in Solihull for Monday 31st March following the close of Review Group 0177.

5. AOB

None.

APPENDIX A.

ACTION LOG - Review Group 0178

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0178 011	25/01/08	2.2	xoserve (FC) to provide gas cost analysis (between weekdays and weekends) for consideration at the next meeting.	xoserve (FC)	Complete
RG0178 012	25/01/08	2.3	xoserve (FC) to provide the statistical analysis to support her estimated figures for Meter Point Reconciliations at the next meeting.	xoserve (FC)	Complete
RG0178 013	25/01/08	2.3	WWU (ST) to sample the I&C/Domestic 'blanks' to ascertain the proportion of non blanks involved, and provide an update at the next meeting.	WWU (ST)	Carried Forward
RG0178 014	22/02/08	2.1	RS to provide a gas cost analysis (between weekdays and weekends) using an alternative gas Price to SAP.	Corona (RS)	Pending
RG0178 015	22/02/08	2.2	JB and SB to summarise the varying scenarios/solutions and the advantages, disadvantages, obligations and risks with each.	Joint Office (JB) and E.ON (SB)	Pending
RG0178 016	22/02/08	3.0	All to review the Draft Review Group Report available on the website.	All	Pending

*** Key to action owners**

- JB John Bradley, Joint Office
 SB Sallyann Blackett, E.ON UK
 FC Fiona Cottam, xoserve
 RS Richard Street, Corona Energy
 ST Simon Trivella, Wales & West Utilities