Review Group 0131 Minutes
Wednesday 14 March 2007

Holiday Inn Solihull, 61 Homer Road, B91 3QD

Attendees

Julian Majdanski (Chair) JM Joint Office of Gas Transporters Helen Cuin (Secretary) HC Joint Office of Gas Transporters

Stefan Leedham (Proposer) SL EDF Energy

Alison Jennings AJ National Grid Distribution

Brian Durber BD E.ON UK
Christian Hill CH RWE npower
Claire Thorneywork CT National Grid NTS
Graham Wood GW British Gas Trading
Joel Martin JMa Scotia Gas Networks

Karen Kennedy KK Scottish Power

Linda Whitcroft LW xoserve

Mike Berrisford MiB Joint Office of Gas Transporters

Ndidi Njoku NN Ofgem
Rochelle Hudson RH Centrica
Richard Wilson RW National Grid

Simon Trivella ST WWU

Steve Pownall SP National Grid NTS

Apologies

Alan Raper National Grid Distribution

1. Introduction and Review Group Operation

Chair (JM) opened the meeting and outlined the principles for the Review Group operation, advising that a Review Group Report will be required for the June 2007 UNC Modification Panel

2. Outline of Proposal

SL provided a presentation outlining the Review Proposal.

The rationale behind the Review Proposal is to address the LDZ RbD Reconciliation Notification Process when discovering a meter anomaly. The objective of the group is to identify a process that is acceptable to the whole industry, with a view to the possible raising of a UNC Modification Proposal to incorporate the process within the Uniform Network Code (UNC).

SL believed that a process needs to be included within the UNC for visibility and that the process should be facilitated by a third party, possibly the Joint Office.

LW provided clarification that the 15 days notice period identified within the presentation is prior to the submission of an invoice release.

CT confirmed that Review Group 0643 introduced a notification process prior to an invoice being generated. The formal Dispute Resolution Process is separate and within the UNC.

Following the presentation a number of areas were discussed as summarised below:

The possibility of the process being a UNC document or Ancillary document CT believed that it would be worth understanding how Dispute Resolution is referred to in NExA and Ancillary Agreements

Consideration of the interaction between UNC Review Proposals 0126 and 0131

How the current notification process operates, what should trigger the process and when? Should the triggers be applied earlier, before the notification of an error? The general view was that 50GWh appeared to be a reasonable trigger however the Proposer would welcome views from the Review Group as the potential removal of £1m trigger or whether the £1m cap should be increased or decreased and/or whether the trigger ought solely be a measure in GWh.

AJ asked if the group could be mindful of any impact to energy invoicing.

CT expressed concern that the Review Group simply concentrates on meter errors and not reconciliation.

RH stated that Shippers would welcome an early indication of the value of an error when being initially notified. However on further discussion the group acknowledged that this information may be difficult to estimate and that Transporters may be reluctant to provide an estimate that may not be relied upon for financial accruals.

BD questioned at what point would the magnitude of an error be confirmed.

Further concern was expressed about the timely provision of the actual meter error data, and the ability to analyse the data, within the allowed timescales, which are restrictive.

RH suggested that it may be possible to identify a timeline. However there was concern expressed over the ability to adhere to strict timescales with the magnitude of an error such as Farningham. A debate evolved about having a standard timeline but an alternative timeline for errors that are of a significant magnitude but it was unsure how this could be codified.

SP suggested that there will be many valuable lessons to be learnt from the recent Farningham meter error issue, which could be used to build a solution.

CT explained that the current UNC Dispute Resolution Process has a defined timeframe, which may need to be considered when reviewing the Reconciliation Notification Process.

Clarification was required on what range of meters should be included. The group discussed whether this should include LDZ meter errors only or whether it should include NTS Direct meters and RbD Meter errors (196 Exit points currently reside off the NTS).

AJ suggested the group would need to consider confidentiality issues if including RbD Meter errors.

A discussion considered whether there ought to be a monthly or a bi-monthly meter error report.

AJ expressed a concern that the impact to the current invoice process will also need to be considered if codifying the process.

PG suggested that errors could possibly, be initially discussed by the Off-take Committee or an alternative meeting, rather than delaying discussion to the existing notification process at the Billing Operational Forum.

The group agreed that there would be benefit in developing a combined notification process and dispute process. It was also suggested that it might also be worth considering those meter errors that occur which are below the current Billing Operational Forum threshold for reporting.

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

Action 0002: ST to assess what level of information could be provided for meter errors and at what possible timescales.

Action 0003: SL to produce a 'Straw-man', which outlines the elements that he believes need to be considered.

3. Consider Terms of Reference

JM questioned whether the ToR needed further development. The Group considered they were satisfactory.

4. Workplan

SL suggested the Review Group follow this timeframe: -

- Meeting 2: What should trigger the notification process and who should participate.
- Meeting 3: What should the notification process be?
- Meeting 4: Governance, facilitation and review group report.
- Panel Report to be submitted to the June 2007 UNC Panel Meeting.

5. Diary Planning for Review Group

10:00, Wednesday, 04 April 2007, location to be confirmed

6. 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)	Due 04 April 2007.
RG0131 0002	14/03/2007	2.0	ST to assess what level of information could be provided for meter errors and at what possible timescales.	WWU (ST)	Due 04 April 2007.
RG0131 0003	14/03/2007	2.0	SL to produce a 'Straw-man', which outlines the elements that he believes need to be considered.	EDF Energy (SL)	Due 04 April 2007.