

Review Group 0208
Thursday 31 July 2008
Elexon, 350 Euston Road, London

Attendees

Julian Majdanski (Chair)	JM Joint Office
Lorna Dupont (Secretary)	LD Joint Office
Bali Dohel	BDo Scotia Gas Networks
Brian Durber	B Du EON
Chris Warner	CW National Grid Distribution
Fiona Cottam	FC xoserve
Joanna Ferguson	JF Northern Gas Networks
Linda Whitcroft	LW xoserve
Richard Street (Proposer)	RS Corona Energy

1. 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 0008: All to consider Shipper incentives to investigate theft.

Action Update: No further update available. **Action: Carried forward.**

Action 0009: All to consider incentives for Meter Reader theft detection.

Action Update: See Action 0008; no further update available. **Action: Carried forward.**

Action 0010: xoserve to provide meter bypass statistics.

Action Update: xoserve monitor queries and adjustments. RS commented that notifications have been received and the process appears robust and recommended that it be reviewed in the near future. **Action: Closed.**

A discussion developed and B Du and CW thought that this may also be a MAMCOP issue and CW agreed to check this.

New Action 0018: National Grid Distribution to check on the details and establish if this is a Supplier or MAM responsibility.

Action 0011: "ERA/ENA recommendations paper regarding Theft of Energy" to be reviewed.

Action Update: It was reported that Ofgem had appointed consultants to take this forward. **Action: Closed.**

Action 0012: xoserve to investigate and report the ability to bill for reported Theft of Gas consumption.

Action Update: The process is being reviewed internally within xoserve. **Action: Carried forward.**

Action 0013: xoserve to investigate and report on the xoserve/Shipper interaction when clearing Theft of Gas allegations.

Action Update: LW commented that there were a number of questions and issues surrounding charges and these were currently being looked at. In response to questions LW advised that Shippers should estimate the kWh stolen and provide this to xoserve so it can be billed back. BDU wanted to understand the methodology used to arrive at this. LW confirmed that xoserve's suggestions regarding what might be done would be brought to the August Distribution Workstream. This action would now be closed and the issue taken forward under Proposal 0197 within the Distribution Workstream. **Action: Closed.**

Action 0017: xoserve, National Grid, EON and Corona to work together to produce an end-to-end process description to illuminate the Unregistered Sites issue.

Action Update: This was provided at this meeting. **Action Closed.**

2. Review Group Discussion

2.1 Unregistered Sites

LW described the process, and explained that the red boxes indicated the various points in the process at which there may be potential issues. LW went on to highlight the issues which gave xoserve cause for concern.

Batches of MPRNs had been issued in advance to UIPs but xoserve rarely received a communication advising of the take up of an MPRN.

After a quote had been accepted it could be cancelled but xoserve were unable to ascertain whether the service had in fact been laid, and did not know if gas was being taken or not. Timing was also an issue. Plot addresses were not updated and xoserve were not informed if plots were reassigned. Supplier Code 12 requests can cause the creation of duplicates because the original information has not been shared by a UIP.

The timing of the creation of the MPRNs was considered the biggest issue.

The labelling or tagging of meters and pipes was discussed. Tagging is a problem; sometimes labels were lost or not attached at all at the outset. BDU thought that something permanent was required, such as a stamp on the ECV, so that MPRNs could be traced more easily. It was noted that there was room for error with lists of MPRNs where the wrong information could be recorded against the wrong number.

There appeared to be opportunities for errors and omissions throughout the current process. BDU commented that reviewing this process was as much about resolving problems going forward as well as dealing with the current problems. A more robust identification of the meter and the pipe was clearly required. If it was an engineering solution that was required then it was felt that MAMCOP would have an interest.

It was acknowledged that the method of labelling/tagging needed to be reviewed and National Grid Distribution agreed to reflect the views of this group and raise the issue of the tag either not being fitted or remaining with the service with the relevant parties at the MAMCOP Board.

The observable level of activity of UIPs on the networks was questioned. RS reported that Shippers were often forced to raise Supplier Code 12 requests as the Shipper could not obtain the MPRN from the relevant party. This demonstrated the lack of an incentive or technical driver on the UIPs to offer the information.

A tag did not necessarily help to identify if the service was taking gas or not, but it did help to identify which meter was attached to which MPRN and resolve that problem. LW pointed out that there seemed to be a gap between the service fit and the meter fit. xoserve need to know when the job has been completed and the service has been laid,

and when the MPRN should be attached and gas is flowing; some exercise of responsibility needs to be placed on parties to inform/notify others when the job is done - perhaps a job completion report was required.

RS observed that UIPs do not seem to be required to tell anyone, however a Transporter should know if there was a new connection to its Network. It was thought that this might be covered by some article of legislation or obligations. LW pointed out that Corgi registered persons can fit a meter and are obliged to notify this through Connection and Disconnection Regulations, however it is noticeable that xoserve do not receive many such notifications.

Action 0019: National Grid Distribution to reflect the views of this group and raise the issue of the tag either not being fitted or remaining with the service with the relevant parties at the MAMCOP Board.

Action 0020: National Grid Distribution to check what legislation applies to connections to Networks and determine what is required.

There seemed to be two scenarios: where there is no Supplier present, and where there is a Supplier present but where there were significant delays from meter fix to confirmation.

CW thought the next step is to look at the process through to registration and identify the principal 'pinch points'.

RS reiterated that the process reviewed so far does seem to be fundamentally flawed and this needs to be addressed; more information needs to be captured and other parties need to be involved to make it work properly. LW was not certain how this could be enforced. RS suggested that perhaps some technical changes may provide some improvements and also make the fulfilment of obligations by various parties mandatory. BDU thought that SPAA and RGMN enabled monitoring of domestic Suppliers; Suppliers need to tie in the meter order with the confirmation and this can only be done through adherence to good practices (this may not apply to I and C because of the greater time lapses); he noted that parties were generally happier with Codes of Practice rather than Business Rules.

RS suggested that a party should have to demonstrate that a supply contract was in place before being able to order and fit a meter.

LW described how a MAM deems a Supplier. BDU commented that RGMA cannot enforce the flow of information between the MAM and the Transporter. There was a short discussion on the difficulties surrounding information flows between Suppliers and Transporters, especially where work is piecemeal, eg siteworks only and not supply. There were risks associated with obligations for charges.

Identifying the registered Supplier was often difficult; after siteworks are completed meter rental can be paid to a MAM; gas turned on and the customer not tell anyone. BDU thought the basic problem to be who registers the meter? LW thought that the key was to understand when the meter was fitted; there was then a route back to the customer.

This raised the issue of gas safety; if it was not known when a meter was fitted, would that meter then become a Gas Safety Regulations 'problem'?

RS reiterated his view that the only way a customer should be able to get gas should be if a supply contract was in place. UIPs are not currently incentivised to do anything about the problem and they need to be 'interested' in participating in a remedy. LW commented that xoserve had sometimes been informed by a Shipper that the Shipper was unable to bill unless the details could be found on xoserve's system, only to find that in reality the Shipper had been billing its customer all the time.

RS said that the SPAA process worked well most of the time and was robust, but this particular process appears to be the opposite. Instances of manual intervention are greater in this process. Only 4 UIPs actively send in information to xoserve (and these have associated problems) so there is something evidently very wrong.

Statistics relating to the numbers of MPRNs created and the number still unregistered were highlighted and discussed. There appeared to be an average of 48 days between date of meter fit and confirmation (where xoserve had received information via an RGMA flow or a C& D notice. It was thought that a Shipper was not likely to send an RGMA flow if there was no intention to confirm – there may therefore be system problems? BDU asked if there was a possibility of backtracking information. LW responded that it could be a developer who requests the UIP for the work to be done; previously Transco used to capture who the requesting party was. The RGMA flows only come from Shippers, and the performance could be covered under SPA which carries out extensive reporting.

The issue remained as to how to raise the importance of timely communication and influence the fulfilment of obligations. The current system was fundamentally flawed and legislation may be required to effect any significant improvement.

JM suggested some preliminary work would be required to set out very clearly why and how the current process does not work and what could practically be done to address the identified weaknesses, before advancing any proposed legislative solutions to deal with failures to follow and respond to initiatives for good practice. CW thought that where there is a known Supplier it would be possible to tighten the process to get the registration in as soon as possible, but that this would prove to be more difficult where there was no known Supplier.

JM observed that there was also a significant issue relating to safety. Should there be a serious incident at an unregistered (and therefore uninspected) meter.

RS pointed out that the recent and unprecedented large increases in the price of gas may result in a higher rate of both Theft of Gas and unregistered meter incidences.

It was suggested that given these difficulties Ofgem should be more actively involved. Supporting evidence of these issues needed to be communicated to Ofgem to demonstrate the need for review of appropriate governance of areas not associated with Shippers, Suppliers and Transporters.

It was agreed that Joint Office should ask the Modification Panel for an extension for the Review to continue.

Action 0021: Joint Office to ask the Modification Panel for an extension.

3. Diary Planning for Review Group

It was agreed that the next Review Group meeting was likely to be held in early September and firm arrangements would be made once the next scheduled meeting of Development Work Group 0194 had taken place.

4. AOB

None.

ACTION LOG - Review Group 0208

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0208 0008	13/05/2008	2.1	All to consider Shipper incentives to investigate theft.	All	Carried Forward
RG0208 0009	13/05/2008	2.1	All to consider incentives for Meter Reader theft detection.	All	Carried Forward
RG0208 0010	13/05/2008	2.1	xoserve to provide meter bypass statistics.	xoserve (LW/FC)	Closed
RG0208 0011	09/06/2008	1.2	“ERA/ENA recommendations paper regarding Theft of Energy” to be reviewed.	All	Closed
RG0208 0012	09/06/2008	2.1	xoserve to investigate and report the ability to bill for reported Theft of Gas consumption.	xoserve (LW/FC)	Closed
RG0208 0017	01/07/2008	2.2	xoserve, National Grid, EON and Corona to work together to produce an end-to-end process description to illuminate the Unregistered Sites issue	xoserve, NG, EON, Corona (LW, CW, BDu, RS)	Closed
RG0208 0018	31/07/2008	1.2	National Grid Distribution to check on the details and establish if this is a Supplier or MAM responsibility.	NG Distribution (CW)	Pending
RG0208 0019	31/07/2008	2.1	National Grid Distribution to reflect the views of this group and raise the issue of the tag either not being fitted or remaining with the service with the relevant parties at the MAMCOP Board.	NG Distribution (CW)	Pending
RG0208 0020	31/07/2008	2.1	National Grid Distribution to check what legislation applies to connections to Networks and determine what is required.	NG Distribution (CW)	Pending
RG0208 0021	31/07/2008	2.1	Joint Office to ask the August Modification Panel for an extension.	Joint Office (JM)	Pending