

Development Group (UNC0274) Minutes
Thursday 10 December 2009
Via teleconference

Attendees

Bob Fletcher (Chair)	BF	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	LD	Joint Office of Gas Transporters
Alan Raper	AR	National Grid Distribution
Alison Jennings	AJ	xoserve
Andrew Wallace	AW	Ofgem
Anne Jackson	AJ	SSE
Bali Dohel	BD	Scotia Gas Networks
Chris Warner	CW	National Grid Distribution
Dave Watson	DW	British Gas
Gareth Evans	GE	Waters Wye Associates
Joel Martin	JM	Scotia Gas Networks
Phil Lucas	PL	National Grid Distribution
Richard Street	RS	Corona Energy
Sean McGoldrick	SM	National Grid NTS
Simon Trivella	ST	Wales & West Utilities
Stefan Leedham	SL	EDF Energy

1. Introduction and Development Group Operation

BF welcomed members to the first meeting and explained that this first meeting was to discuss the proposed Terms of Reference and agree a time management plan for the operation of the Development Group. The intention is to hold monthly industry meetings to discuss the proposal and produce a Development Group Report for consideration by the UNC Modification Panel by 20 May 2010.

2. Outline of Proposal

BF reported that this Proposal had been discussed previously at Review Group 0245 meetings. It was agreed that at this point sufficient discussion had taken place and that no further clarification was required.

3. Consider Terms of Reference

The draft Terms of Reference (ToR) were considered.

Scope and Deliverables

There was much discussion on what should be included in the scope. Various suggestions were made which may require further consideration:

- The setting up of incentives on the NRPS itself; types of models of incentives
- Basic principles for NRPS, and general working arrangements
- How the NRPS interacts with suppliers

- How the NRPS sources information; what data should be sourced, from where and if there were legal implications
- What impact this requirement for sourcing would have on existing systems and processes; the exchange of information process
- How it can maintain enough flexibility to move forward to obtain the best results
- Contracted arrangements, tender processes, detailed Business Rules
- Funding arrangements of the NRPS and for the acquisition of data (User Pays, options for charging, etc) and any associated impacts

CW asked if was a Shipper- or Supplier-centric activity to appoint a NRPS. RS believed that an understanding of what the model should look like was required and then consideration could be given as to whether the tender process should sit under the UNC.

The group then considered what might be included within the existing bullet points in the draft ToR:

Under Point 1) Consider the setting up of a NRPS

- impacts on the UNC
- define a model
- process for setting up
- ToR for NPRS
- Funding model
- Making it mandatory through the UNC might be one option.

Responding to questions as to why it had been brought into the UNC arena for discussion, AJ explained that under other governance regimes a number of parties would have been excluded from involvement/participation in the discussions. It was also anticipated that there would be an impact on UNC, and that Modification Proposals would be required. RS added that a route may have to be established to enable what was a Non Code Party to have access to data, so a it was likely that a UNC change would be required to facilitate this.

CW pointed out that there may also be Licence considerations to take into account, and thought that the addition of 'governance arrangements' to this point would be appropriate.

Under Point 2) SM reported that from its initial consideration of the concept, National Grid NTS would not be looking to use this body in relation to theft of gas, as it did not consider that it would contain the right levels of expertise and there may also be issues of confidentiality. It would support its conception for use by the DNs but believed that the NTS should be excluded from any requirement to utilise this. RS accepted that initial view but believed that NTS utilisation should not be discounted at this stage. Further consideration should be given to who should be mandated to take core services. For example, the Emergency Service may need to be able to interact if a callout gave rise to suspicion of theft of gas. It was suggested that the scope should include giving consideration to the potential customer base of a NRPS.

Under Point 3) it was agreed to remove the words 'the commercial elements'.

It was agreed to include consideration of any potential User Pays impact or other charging routes, and to consider general working practices. JM believed a distinction

needed to be drawn between the funding of the NRPS and the User Pays impacts – these were two separate areas.

Limits

It was suggested that these points should be moved to sit under *Scope and Deliverables*. It was agreed that no limits should be set. No further amendments were required to this section.

Composition

BF advised the group that this would be an open forum and that a formal membership list would not be compiled. It was suggested that Consumer Focus should be specifically mentioned, and that as information may have to be sourced from other organisations such as MAMs, IUPs, AMOs and iGTs, these should also be included and that proactive contact should be made with each of these groups to encourage active participation. BF added that all communications relating to this Development Group would be sent out to the widest possible distribution list.

Information Sources

No amendments were required to this section.

Timetable

No amendments were required to this section.

BF agreed to amend the draft Terms of Reference following today's discussions and publish these for further consideration.

Action RG0274/001: Joint Office to amend draft Terms of Reference in light of discussions and publish for comment on the Joint Office website.

4. Development Group Process

It was agreed that the Development Group would examine identified issues and consider potential solutions, over a number of meetings.

It was suggested that the first meeting should be held after the first meeting of Development Group 0270 (06 January 2010), and future meetings would be arranged as appropriate.

5. Diary Planning for Development Group

The first meeting will take place at 13:00 on Wednesday 06 January 2010 at Elexon, 350 Euston Road, London NW1 3AW, following the first meeting of Development Group 0270.

6. AOB

None raised.

ACTION LOG - Development Group 0274: 10 December 2009

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0274 001	10/12/2009	3.0	Joint Office to amend draft Terms of Reference in light of discussions and publish for comment on the Joint Office website.	Joint Office (BF)	Completed