

Joint Office of Gas Transporters

Distribution Workstream Minutes 26th May 2005

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Thursday 26th May 2005

10 Old Bailey, London

Attendees (Morning session)

Julian Majdanski (Chair)	JM	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Mark Pearce	MP	Corona Energy
George Donoghue	GD	Scottish Power
Adam Frak	AF	Scottish and Southern
Steve Mulinganie	SM	BP Gas
Richard Pomroy	RP	WWU
Alex Travell	AT	E.On
Rosie McGlynn	RM	E.On
Gareth Evans	GE	Total
Joanna Ferguson	JF	GNL
David Osman	DO	RWE NPower
Graham Wood	GW	BGT
Bryony Sheldon	BS	Ofgem
Damian Bach	DB	NGT
Chris Warner	CW	NGT
Phil Lucas	PL	NGT
Bob Fletcher	BF	NGT
Phil Kershaw	PK	NGT
Steve Mcaffries	SMc	NGT
Mike Vallance	MV	NGT
Melinda Palmer	MPa	NGT
Fiona Cottam	FC	xoserve
Steve Nunnington	SN	xoserve
Melanie Pilkington	MPi	xoserve
Tim Davis	TD	Joint Office of Gas Transporters

Apologies

Hazel Doyle	EDF Energy
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1. Introduction

JM introduced Ground Rules of Workstream.

2. Status Review

2.1. Minutes from March SP&B Workstream

No comments received. Minutes approved.

2.2. Review of Live Modification Proposals and Topics Log

JM reviewed Live Modification Proposals including Urgent Modification 0018 and raised Prime & Sub-deducts as the first topic on the Topics Log.

2.3. Review of Actions from March SP&B Workstream meeting.

2.3.1. Modification 0649 - 'Referencing Incident Notification governance With Network Code' Transco provided a brief update requesting an agenda item at the next meeting to provide detail of progress. **Action: Transco.**

2.3.2. Review of Network Code Reconciliation Suppression Guidelines and Operational Rules Governing the Supply of charges via the Ad Hoc Process. Version 2 issued 4 April 05. **Action: Closed.**

2.3.3. Modification Proposal 0726 'Provision of a Guarantee of Pressure for Meter Points Operating above 21 mbar by the Relevant Transporter'. Workstream, Report is due to the June Modification Panel. **See Item 3.**

2.3.4. Security and Credit Management issues for Hive down. Letter issued detailing security requirements 1 May 2005. **Action: Closed.**

2.3.5. Review Group 0700 Final Report complete. **Action: Closed.**

2.3.6. Modification Proposal 0728 'Provision and Maintenance of Large Firm Supply Point Emergency Contact Information by the Gas Transporter' Final Modification Report to be issued. Phil Lucas (Transco) confirmed as Subject Matter Expert (SME). Final Modification Report expected by 14 June 2005.

2.3.7. Must Reads. Modification Report currently being prepared by SME.

2.3.8. xoserve telephone number on Consumer Bills. Issued 28 April 2005. **Action: Closed.**

SM requested clarification if number was rechargeable. CW asked Joint Office to issue detailed response more widely for clarification. **Action: Transco/JO**

3. Modification Proposals

3.1. Modification Proposal 0005(0726) 'Provision of a Guarantee of Pressure for Meter Points Operating above 21 mbar by the Relevant Transporter'.
Workstream Report is due to the June Modification Panel.

SM expressed concern with Modification progress and suggested hosting a focus group to go back over building the process. SM confirmed BP want Modification to go forward and wants to assist with any misunderstandings.

Transco confirmed Ancillary Agreements are provided for in the UNC however no Shipper has yet used this facility. Workstream expressed concern that there is no process for getting an Ancillary Agreement for guaranteed pressure. Re-iterating that Customers need guarantee to operate business particularly when changing supplier.

BF explained circulated process flow diagrams covering New Connections and Existing Site with elevated pressure. CW referred to letter commenting on issues and setting out how Shippers can facilitate change of supplier.

SM expressed BP consider rights should transfer when changing Shipper/Supplier questioning why an agreement with the end user cannot exist. DB confirmed a bi-lateral agreement between a Transporter and end user could be entered into.

SM confirmed it was essential for Transco to consider a contractual arrangement which all Transporters agree to. CW confirmed consideration for a contractual arrangement will be undertaken. **Action: Transco**

It was agreed to conduct a meeting 14:00, 10 Old Bailey, Thursday 2 June 2005 (following Transmission Workstream) to consider details for the production of required Workstream Report for 6 June 2005. It was confirmed the Legal text is not required to put proposal to Modification Panel. However generic text could be drafted.

CW confirmed the objectives of next weeks meeting will be to:

- Modify process flow diagrams produced by BF considering relationship with Customer.
- Consider preparing Draft Ancillary Agreement, discussing practicalities and Head of Terms (explaining what would be in the clauses).
- Agree 'Grandfather Rights' where Governor currently set and operating at high pressure with no formal agreement in place.

4. Topics on Agenda

JM explained that the Workstream needs to decide on a priority for discussion of each topic to be recorded on the Topic Log.

4.1. UNC requirements as a consequence of Ofgem's review of Best Practice Guidelines – Credit Consultations

MV presented five Modification Proposals which Transco wish to table at June 2005 Modification Panel. These were:

- Re-assessment of User Unsecured Credit Limits
- Independent security provision by an entity with an Investment Grade Rating of 'A' or above

Joint Office of Gas Transporters

Distribution Workstream Minutes 26th May 2005

- Notice Period for Credit Limit Downgrade and Remedies for Non-compliance
- Application of Charges consistent with Late Payment of Commercial Debts (interest) Act 1998.
- Right of Set Off under Uniform Network Code.

Workstream agreed time was needed to respond. All proposals will be made available electronically for consideration. Meeting on 6 June 2005 will provide suitable forum for responses. **Action: All**

CW agreed Lawyers will be approached for Legal Text. **Action: Transco**

4.2. UNC requirements - Third Party Undertakings

Modification Proposal provided by MV to be issued electronically as above. MV confirmed Transco want to issue Modification to Panel in June. **Action: as above**

4.3. Primary & Sub-deduct meters

CW and SN provided overview of progress confirming ongoing discussions.

SM confirmed Modification 0678 is being amended due to small omission.

4.4. Unique Sites

Concluded not suitable for RGMA Regime. Paper submitted to Ofgem. Ofgem provided consent. Consequently UNC Modification Proposal has been drafted. Metering Arrangements at Special Metering Supply Points. Legal approached for Legal drafting.

4.5. Changes to Prime and Subs Read Process flowing Asset Unbundling.

SN presented current process and proposed changes. AT requested Documented Process. SN agreed to bring Process Flow Diagrams to next meeting. **Action: Transco**

Concern expressed by SM on charges where there was an outstanding asset query. SN confirmed where asset data had not been updated Shippers can query charges and request refund for error.

SN confirmed process will be in place for reads invoiced from November 2005. Allowing a soft landing period.

Distribution Workstream Minutes 26th May 2005

4.6. Arrangements for Isolations for Prime & Sub-deducts.

CW gave presentation. Discussion revolved around Transco's obligations beyond Emergency Control Valve (ECV). SM requested Transco to confirm HSE have been consulted on Transporters' obligations under GSMR beyond ECV. **Action: Transco**

SM and RP requested locations of Prime & Sub-deducts per Distribution Network. **Action: Transco**

CW confirmed Gas Act obligation to provide connection at the Primary ECV. CW agreed to clarify where Gas Act acknowledges existence of Prime & Sub-deducts. **Action: Transco**

Next Steps: Transco to provide paper setting out its position, if possible prior to June 2005 UNC Distribution Workstream. Workstream can then consider 'solution option'.

Discussion took place around Analytical Meters (Prime Meter supplying Sub-deducts with no direct appliance). Transco confirmed Transmission Charges will not be levied for Analytical meters. xoserve does not hold records of analytical meters.

CW will try and distribute letter prior to next Workstream Meeting. **Action: Transco.**

4.7. UNC Non-business days for 2006

PL presented non-business days for 2006 referring to the DTi web site.

4.8. New Topics raised at meeting

- Shipper Initiated Capacity Referrals raised by CW. More background will be provided at next meeting. GE requested 5 and 21 day standards not being met is also linked to this topic.
- RP mentioned 'Must Reads' as a potential topic. MPi explained Must Reads support Accurate AQs and Reconciliation. Ofgem agreed to provide history on previous Must Read Modification Proposals. **Action: Ofgem**
- GW raised DN Interruption as a Topic for future consideration when details of the Exit Regime become available.

5. Diary Planning for Workstream

Next Meetings:

Thursday 2 June 2005, 14:00, 10 Old Bailey. 005(0726) Modification Proposal Development

Monday 6 June 2005, 10:00, 10 Old Bailey. Mod 005(0726), Potential Credit Modifications.

Thursday 23 June 2005, 10:00, 10 Old Bailey

6. AOB

None