

User Pays User Committee Minutes

Monday 08 June 2009

at

Energy Networks Association, 6th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2AF

Attendees

Tim Davis (Chair/Secretary)	TD	Joint Office
Chris Davies	CD	Total Gas and Power
Colette Baldwin	CB	E.ON
Dave Hayton	DH	RWE npower
Graham Frankland	GF	xoserve
James Crosland	JC	Corona Energy
Jemma Woolston	JW	Shell Gas Direct
Joel Martin	JM	Scotia Gas Networks
Lorna Gibb	LG	Scottish Power
Mark Cockayne	MC	xoserve
Mitch Donnelly	MD	British Gas
Richard Street	RS	Corona Energy
Rosie McGlynn	RM	EDF Energy
Sharon Cole	SC	Scottish and Southern Energy
Teresa Skinner	TS	Total Gas and Power

1.0 Introduction

TD welcomed attendees to the meeting and confirmed that the meeting was quorate.

1.1. Minutes of last meeting

These were approved, together with those of the final User Pays User Group.

1.2. Actions arising

Action UPUG05/01: xoserve (MC) to circulate draft IAD/SCOGES draft requirements document.

Update: MC confirmed this had been circulated.

Action closed

Action UPUG05/02: All to Send to Joint Office suggestions on how M Number data may be submitted electronically in future.

Update: TD confirmed that no further suggestions had been received, and CB reiterated that FTP was EON's suggestion.

Action Carried Forward

Action UPUG05/03: xoserve (MC) to explore options for electronic transfer of M Number data.

Update: MC explained that xoserve had looked at options for “chunking” the data to facilitate transfer, and found it is already split into various categories on the DVD. MC asked if this addressed the issue. CB said FTP was the requirement, providing an alternative means for transferring these data items. MC agreed to investigate further why xoserve could not utilise FTP and respond to CB prior to the next meeting.

Action Carried Forward**2.0 ACS Update**

xoserve confirmed that Ofgem had accepted the proposed ACS changes relating to Modification Proposal 0213V and the new version would therefore be effective from 15 June.

3.0 Aesthetic changes to text on IAD screens and SAR Fax templates

MC outlined the proposed (cosmetic) IAD changes which reflected customer feedback. Attendees were happy for the changes to go ahead, but emphasised that, as a general rule, a longer notice period would be helpful – although not necessary for this cosmetic change. xoserve confirmed that there would be no cost or charge implications as a result of the change.

On the SAR fax template, MC explained the proposed changes were again cosmetic, aiming to aid clarity. This was accepted. MC agreed that xoserve would continue to accept the older forms after the proposed implementation date and agreed to contact any organisations that did so in order to alert them to the change.

Action UPUC06/01: xoserve (MC) to publish the revised SAR Fax templates as soon as possible and alert any organisation that uses the outgoing form post-implementation**4.0 Possible introduction of IAD Last Accessed Report**

MC explained that a report had been provided on an ad-hoc basis to some users on request regarding both active and inactive IAD accounts. The issue was being raised in order for UPUC to consider the possibility of contractualising this service - adding it as an additional Portfolio Report in Schedule 5 of the Contract. MC said that xoserve believed they could provide a biannual report to all on a no cost basis provided the dates on which reports were issued were spread – i.e. not issued to all on the same day. If more frequent issue were needed, or a fixed date for all to receive the data, costs would be increased and hence a charge would be justified.

It was agreed that it would be useful for xoserve to raise this as a formal change for consideration at the next meeting.

RM asked how a change of this nature would be reflected in the ACS if there was no charge. MC suggested it would be shown at zero cost.

LG asked if cost estimates would be included when the change proposal is brought forward, which MC agreed to endeavour to provide. This would cover the range of options.

Action UPUC06/02: xoserve (MC) to bring forward change proposal seeking to contractualise provision of an IAD Last Accessed Report

5.0 Operational Update

MC presented for xoserve. All indicators were green, with all performance targets being achieved.

6.0 Possible change to IAD charging

MD explained that British Gas had drafted a change order seeking to move IAD charging to a per MPRN search basis. This would mean costs would be appropriately targeted to the heaviest users. In addition, the present disincentive to register additional IAD users would be removed. They would wish to see this change implemented from October.

JC asked how users could validate charges presented on this basis. MD believed that xoserve could provide tracking data, and GF confirmed that some tracking was possible in terms of data access and time – information which is already being issued to users.

RS asked what the correlation was between cost and activity – xoserve had previously justified the existing ACS approach on the basis of cost reflectivity arguing that the largely fixed nature of costs meant that the closest correlation was between costs and the number of accounts. GF responded that functionality capturing usage levels was not previously available and so charging on this basis was not an option at the time. Fixed costs are involved in setting up and managing accounts and so basing charges on user numbers was considered appropriate. CB agreed that the charging basis had been debated at the time, but transactional charging would have been supported, at least by some users, as being more cost reflective had that been possible.

RM asked about revenue recovery if charging moved to a transactions basis, and GF said xoserve would seek to build projections into the charges with revenue against costs being kept under review such that changes could be amended if necessary to deliver cost recovery.

MD said that BGT were not looking to change usage if the change were implemented, but they would anticipate authorising more people to access the system. Others suggested this would increase variable costs because of the need for account creation.

JC asked if provision could be made to charge on an either or basis, and RS added that a combination of each be more appropriate in order to be cost reflective. CB would want to see the restriction by Licence taken out of the equation. RM agreed that any move to usage should also remove the artificial multi-shipper ID cost impact.

RM emphasised that the cost of creating additional accounts needed to be understood in order to assess the change. MD asked if there was a

significant cost associated with account creation, and GF said that account administration is the biggest variable cost on the system, and account numbers is the key cost driver. CB asked for the costs of creation, management and deletion to be identified separately.

RM argued that if there were to be additional complexity, it should be borne in mind that there was the prospect of an IAD replacement within the next year and it may be better to consider the charging changes at that time. The cost benefit of progressing the change needed to look at the appropriate timescale.

MD indicated that, in light of the discussion, he intended to formally raise the proposed change. Assuming that the change order is received, this will be considered further at the next meeting and xoserve will provide their cost estimates following that - in line with the agreed change process. RM said that any indication of cost drivers and implications would be helpful for the next meeting, and LG added that an indication of the data which would be provided to validate invoices and the cost of providing any additional information should be provided. TD suggested that it would be helpful if all attendees could come to the next meeting having considered their likely demand if transactional charges were introduced, and with any further thoughts on the analysis they would wish to see in order to assess the proposed change.

Action UPUC06/03: British Gas (MD) to raise change proposal seeking to change the basis of IAD charging

Action UPUC06/04: xoserve (GF) to consider what information they can bring to the next UPC meeting concerning likely cost and charge implications were IAD charging to be on a usage basis

Action UPUC06/05: All to consider likely IAD demand with usage charges, and the analysis they would wish to see in order to assess the proposed change

7.0 Any Other Business

MC briefly ran through the Live UNC Modification Proposals which were identified as being User Pays Proposals.

RM reported SPAA discussions concerning interactions with User Pays. For example, if changes to RGMA format changes were agreed under SPAA, these could involve xoserve costs. However, there was no formal governance route to progress the requirement for a ROM. While no changes were imminent, issues such as AMR could imply the need for change going forward and it would be useful to understand how it would be progressed if there was to be a non-Code User Pays Service which reflected SPAA changes. CB supported the need to consider this, and said it could also apply in reverse where SPAA and the Contract became inconsistent if the governance route of one was successful but not the other.

JM felt the issue was the lack of a process, such as the 0213V process in the UNC, within SPAA. TD suggested that a governance solution would be for the Contract to simply refer to SPAA requirements,

although it was recognised that this created a different and equally significant set of issues in light of the difference in signatories.

Within SPAA, the Transporters had taken an action to discuss the issue with xoserve and to consider potential ways forward, and it was agreed that UPUC should monitor this going forward.

8.0 Next Meeting

13 July 2009, 10:30, Energy Networks Association

Action Table: User Pays User Committee – 8 June 2009

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UPUG05/01	11/05/09	7.0	Circulate draft IAD/SCOGES draft requirements document	xoserve (MC)	Circulated. Closed
UPUG05/02	11/05/09	10.0	Send to Joint Office suggestions on how M number data may be submitted electronically in future.	All	FTP preferred. Awaiting outcome of xoserve deliberations.. Carried Forward
UPUG05/03	11/05/09	10.0	Explore options for electronic transfer of M Number data.	xoserve (MC)	xoserve to clarify barriers to providing FTP transfer. Carried Forward
UPUC06/01	08/06/09	3.0	Publish the revised SAR Fax templates as soon as possible and alert any organisation that uses the outgoing form post-implementation	xoserve (MC)	Update due 13 July
UPUC06/02	08/06/09	4.0	xoserve (MC) to bring forward change proposal seeking to contractualise provision of an IAD Last Accessed Report	xoserve (MC)	To be raised for consideration on 13 July
UPUC06/03	08/06/09	6.0	Raise change proposal seeking to change the basis of IAD charging	British Gas (MD)	To be raised for consideration on 13 July
UPUC06/04	08/06/09	6.0	Consider what information can be provided concerning likely cost and charge implications were IAD charging to be on a usage basis	xoserve (GF)	For consideration on 13 July
UPUC06/05	08/06/09	6.0	Consider likely IAD demand with usage charges, and the analysis needed to assess the proposed change	All	For consideration on 13 July