

**UNC Shrinkage Forum Minutes**  
**Monday 27 June 2011**  
**at 31 Homer Road, Solihull B91 3LT**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Helen Cuin (Secretary)	(HC)	Joint Office of Gas Transporters
Alec Breen	(AB)	Northern Gas Networks
Brian Durber	(BD)	E.ON UK
David Watson	(DW)	British Gas
Derek Wilkinson	(DW)	Wales & West Utilities
Haren Thillainathan	(HT)	Northern Gas Networks
Jonathan Wisdom	(JW)	RWE npower
Rawinder Basra	(RB)	Scotia Gas Networks
Rob Cameron-Higgs	(RCH)	Wales & West Utilities
Rochelle Hudson	(RH)	British Gas
Roy Malin	(RM)	National Grid Distribution
Stuart Forrest	(SF)	Scotia Gas Networks

Meeting papers may be found at: <http://www.gasgovernance.co.uk/ShrinkageForum>

**1. Introduction and Status Review****1.1. Review of Minutes**

The minutes from the LDZ Shrinkage Forum held on 08 March 2011 were accepted.

**1.1. Review of Actions Outstanding**

**SF0302:** Leakage Model - Establish what input/output information is used (assumptions, theory, etc) and what information can be shared (with reasons for any exclusions) and consider making available to industry.

**Update:** RM confirmed that the Transporters have yet to agree if the model can be shared. DW wished to understand the areas of contention.

RM reported that National Grid would be willing to share the model and the data that feeds into the model. However SF explained that Scotia Gas Networks are reluctant to share any data, the concern primarily centred around the precedent it would set for requests for other industry models and the data that supports these. Northern Gas Networks and Wales & West Utilities would be prepared to share the model with dummy data and would be willing to discuss specific data on a bilateral basis. RCH was unsure what the advantage was of having the real data that feeds into the model. DW explained that shippers want some transparency in the process so that they can respond on an informed basis to the consultation.

Although it was recognised that the model had been approved by Ofgem, JW wished to understand why the network specific data in the models was

considered to be confidential. DW was concerned why National Grid would be prepared to provide the model and data and the model but other Transporters held concerns. It was acknowledged that as the same model is used by all networks, National Grid is reluctant to share the model when other Transporters are not.

DW was concerned about how this could hinder the consultation process. RB explained that information will be provided in the consultation proposals. However, DW believed that the information was insufficient to enable an effective consultation.

All Transporters were asked to provide an official response to the provision of information. It was agreed that Action SG0302 would be closed and Action SF0302a would be adapted for individual responses from each Transporter.  
**Closed.**

**SF0302a:** Each Network Operator to provide a written position on the provision of the Leakage Model and network specific data.  
**Update:** Action updated. **Carried Forward.**

**SF0303a:** Shippers to consider the costs and benefits of applying a Shrinkage Adjustment to meter errors  
**Update:** RH confirmed that Shippers had considered the application of a Shrinkage Adjustment to meter errors and had come to the conclusion that the adjustment would not be material. **Closed.**

**SF0304:** Theft of Gas - Establish what data is available and what can be shared, and what is the impact on shrinkage.  
**Update:** National Grid believed that there were 358 cases of upstream theft cases raised during 2010 of which 104 cases were deemed to be proven. RM confirmed that this information will be validated and provided to the Joint Office for publication.

SGN reported 17 proven cases of theft with 1.3 Gwh in 2010.

RCH confirmed that WWU had considered 2011 and advised that 133 cases of upstream theft cases were raised during the first 5 months. He was conscious that he had collected data for a different period to other Transporters and agreed to provide data for 2010 to allow for a better comparison.

DW asked if the transporters can provide data for 2010 on the number of cases reported, number of proven cases, an estimate of energy and a regional breakdown. **Complete.**

**New Action SF0601:** Transporters to provide a breakdown of 2010 Theft of Gas upstream incidents ie. the number of cases reported, the number of proven cases, an estimate of energy and an LDZ breakdown for consideration at the next meeting.

**Action SF0501:** DNOs to provide the leakage model for publication by the Joint Office.  
**Update:** See Action SF0302a. **Closed**

## 2. Shrinkage Model Review

RM provided a presentation on the Leakage Model, explaining the proportions for the five elements; LP Leakage, MP Leakage, AGI Leakage, AGI Venting, and Interference Damage. Each of the five elements were considered and the complexities of the calculations outlined. RM was free to receive any questions on the presentation or on any of the assumptions.

The forum considered the information presented on the pressure testing. RH wondered if more pressure tests need to be undertaken in each region to allow for more confidence in the information. BD suggested more tests could be undertaken during the mains replacement programme.

SF explained research is ongoing on 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> generation PE pipe and information will be made available on its durability through the RFI programme. BD believed it would be useful to understand more about this programme and asked SF to keep the forum updated.

RM explained that each year the model will take into account the changes to the number of recorded metallic service pipe replacements.

BD asked if further tests have been undertaken on the non PE pipe joints. It was questioned if it was possible to re-assess the Metal service to PE mains connections and if the existing model assumption that there is zero leakage.

DW again emphasised the importance of seeing the Leakage Model and the data that feeds into it to help understand if the principles work. SF challenged how the actual numbers and ratings would actually assist Shippers, the model work work in the same way with dummy numbers.

BD questioned if the frozen RbD Audit funding could be used to finance Shrinkage Model Audit.

RH asked if previous shrinkage assessment reports could be made available for Shippers to review. RM was not sure if the reports would be available in a suitable format though he would provide an update to the next meeting.

## 2. Any Other Business

None

## 3. Diary Planning

10:30, 10 August at a 31 Homer Road, Solihull, B91 3LT, primarily to consider the Shrinkage Proposals

**Action Log: Shrinkage Forum**

<b>Action Ref</b>	<b>Meeting Date(s)</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner*</b>	<b>Status Update</b>
SF0302	08/03/11	4.0	Leakage Models - Establish what input information is used, and what can be shared (with reasons for any exclusions) and consider making available to industry.	Individual DNOs (RM, HT, SF, MP)	Closed
SF0302a	04/05/11	2.2	Each Network Operator to provide a written position on the provision of the Leakage Model and network specific data	All DNOs	Carried Forward
SF0303a	03/05/11	2.2	Shippers to consider the costs and ebefits of applying a Shrinkage Adjustment to meter errors	Shippers	Closed
SF0304	08/03/11	6.0	Theft of Gas - Establish what data is available and what can be shared, and what is the impact on shrinkage.	Individual DNOs (RM, HT, SF, MP)	Complete
SF0501	02/05/11	4.0	Joint Office to be provided with the Shrinkage Model for publishing on the Joint Office website.	Joint Office (BF/HC)	Closed
SF0601	28/06/11	1.1	Transporters to provide a breakdown of 2010 Theft of Gas upstream incidents ie. the number of cases reported, the number of proven cases, an estimate of energy and an LDZ breakdown for consideration at the next meeting.	Transporters	Pending