

UNC Shrinkage Forum Minutes
Wednesday 26 September 2012
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
David Simpson*	(DS)	Scotia Gas Networks
Joanne Parker*	(JP)	Scotia Gas Networks
Mark Askew*	(MA)	Ofgem
Mark Cockayne	(MC)	Xoserve
Paul Branston	(PB)	Ofgem
Rachel Martin	(RM)	Xoserve
Rochelle Hudson	(RH)	British Gas
Roy Malin	(RMa)	National Grid Distribution
Steve Armstrong	(SA)	National Grid Distribution
Steve Brown*	(SB)	Ofgem
Steve Edwards	(SE)	Wales & West Utilities
Steven Wilkinson	(SW)	Northern Gas Networks
Will Guest*	(WG)	Northern Gas Networks

* via teleconference

Meeting papers may be found at: www.gasgovernance.co.uk/sf/260912

1. Introduction and Status Review

1.1. Review of Minutes

The minutes of previous Shrinkage Forum (06 January 2012) were accepted.

1.2. Review of Actions Outstanding

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.

Update: SE agreed to circulate the data for 2010 and 2011 if it is available.
Carried Forward.

SF0801A: Transporters to collate the approaches taken to auditing shrinkage model inputs and outputs, and consider introducing a consistent approach.

Update: RM reported that the DNs are co-ordinating this with the new licence requirement and will be formulating best practice, he confirmed an update will be provided at the next meeting. **Carried Forward.**

SF0101: Ensure that the presentation/publication of all DN information is consistent across all DNs.

Update: RH confirmed that this action had been undertaken. **Complete.**

SF0102: Low Pressure Service Modification – Provide tables to indicate the level of impact on Leakage Assessment on each network together with the metallic service proportion.

Update: See agenda item 2.1. **Closed.**

SF0103: RMA to establish if a more accurate measurement can be taken/captured in respect of routine venting and vented gas.

Update: See agenda item 2.2. **Closed.**

2. Update on Proposed Leakage Model Changes

2.1. Low Pressure Service calculation

RM provided an update on the LP Modification and that National Grid Distribution have deferred application of the modification to the next price control period.

2.2 Above Ground Installation (AGI) Venting calculation

RM provided a presentation considering the AGI Venting amendment, he explained that GL Noble and National Grid Distribution were working together to establish the relationship between the venting rate and control system operating pressure and to identify levels of venting, to develop a more robust method of estimating venting. He explained the potential impact on the Shrinkage dates considering an implementation for 2013/14.

RM asked that while the model is being considered, if Shippers would like an indication of the changes to figures should the model be approved. It was agreed an assessment would need to be taken during the development of the modification on whether this data would prove useful.

RM agreed to provide some analysis and planned to provide a further update in November if the information is available.

RH asked the DNs to make it absolutely clear on what basis the estimates have been based on.

It was suggested that the presentation provided today ought to be provided to a wider audience. It was agreed that it would be ideal to provide the presentation at the 23 October DNCFM.

WG enquired about the consultation process, he asked if there is a common leakage model would consultation be for all or separately for each DN. He was keen for a joint consultation but if required due to licence conditions would accept that these may have to be completed separately. RH also expressed an interest in a joint consultation.

It was noted that two submissions have been sent to Ofgem by NGN and WWU. SB suggested that Ofgem should give a view on this.

Action 0901: Ofgem to provide a view on whether the submissions provided by NGN and WWU meet the requirements for consultation.

The Transporters believed in principal that a common process could be adopted on the basis that Ofgem have given a view on two of the consultations.

3. 2011/12 Shrinkage Assessment and Adjustments

MA explained that Ofgem have some concerns with the RIIO process and Shrinkage base lines being consistent and aligned to the Shrinkage amendments.

SE was also concerned about the timing of the final LP proposal and the late December base lines, if the change takes place post FP publication but pre RIIO implementation - the base lines will need to be changed.

SE asked Ofgem to write to the regulation managers to confirm the way forward.

Action 0902: Ofgem to confirm the process for changing the Shrinkage base lines considering the modification and RIIO

4. Any Other Business

None raised.

5. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Shrinkage Forum meetings will take place on:

Wednesday 28 November 2012, 09:00 via teleconference

Tuesday 15 January 2012, 10:00 via teleconference

Action Log

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
SF0601	28/06/11	1.1	WWU 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.	WWU (RCH)	Carried Forward
SF0801A	28/09/11	1.2	All Transporters to collate the approaches taken to auditing shrinkage model inputs and outputs, and consider introducing a consistent approach.	All DNOs	Carried Forward
SF0101	06/01/12	1.2	Ensure that the presentation/publication of all DN information is consistent across all DNOs.	All DNOs	Complete
SF0102	06/01/12	2.1	Low Pressure Service Modification – Provide tables to indicate the level of impact on Leakage Assessment on each network together with the metallic service proportion.	All DNOs	Closed
SF0103	06/01/12	2.1	Establish if a more accurate measurement can be taken/captured in respect of routine venting and vented gas.	All DNOs	Closed
SF0901	26/09/12	2.2	Ofgem to provide a view on whether the submissions provided by NGN and WWU meet the requirements for consultation.	Ofgem	Pending
SF0902	26/09/12	3.1	Ofgem to confirm the process for changing the Shrinkage base lines considering the modification and RIIO	Ofgem	Pending