

RbD Audit Sub Committee Minutes

Thursday 22 November 2007

Elexon, 350 Euston Road, London

Attendees

Tim Davis (Chair)	TD	Joint Office of Gas Transporters
Helen Cuin (Secretary)	HC	Joint Office of Gas Transporters
Alex Travell	AT	E.ON UK (Alternate)
James Boraston*	JB	RWE Npower (Member)
Linda Whitcroft	LW	xoserve
Marie Clarke	MC	Scottish Power (Member)
Mark Jones	MJ	Scottish and Southern Energy (Member)
Ndidi Njoku	NN	Ofgem
Rochelle Hudson	RH	Centrica (Member)
Simon Trivella	ST	Wales and West Utilities

* via teleconference

1. Status Review

TD welcomed members to the meeting, which was quorate.

1.1. Minutes from April 2007 RbD Audit Sub Committee

The Minutes of the previous meeting were approved.

1.2. Review of Actions from April 2007 RbD Audit Sub Committee

Action RbD 0401: All committee members to consider the feeder processes that could be included in the RbD Audit for discussion at the July RbD Audit Sub-committee.

Action update: The feeder processes had been agreed. (see Action update RbD 0701 below).

Action: Complete

Action RbD 0701: JO to write to all Members seeking formal agreement (or objection) to the 3 feeder processes chosen for the next audit.

Action update: Complete 31 August 2007

Action RbD 0702: LW to provide a timetable for the appointment of the next auditor.

Action update: Complete

Action RbD 0703: By end August 2007, all to provide their views on setting the scope of the next audit to LW for consideration.

Action update: Complete

2. 2007 Half Year Audit Report

All members approved the provided Audit Report for circulation to RbD Shippers.

3. Feeder Processes – Scope of Audit Work

LW confirmed that the Feeder Processes Audit Approach had been agreed with Ernst and Young.

4. RbD Tender Process

LW provided a handout illustrating the timescales and likely meetings for the RbD tender process. LW explained the tendering process and timescales. She suggested members may need to be flexible with meeting dates and that additional meetings may be required.

LW also provided a handout entitled Feeder Processes to RbD Charges.

AT questioned the restriction of the audit to certain areas and expressed a concern that Shippers may not be gaining the right level of assurance. ST suggested it was not the role of the auditor to audit upstream processes. However, AT believed that even if the quality of information cannot be audited, the processing of the information can. LW expressed concern about expanding the scope without consideration of the impact on the tender process.

RH suggested certain sampling should be undertaken. AT suggested inclusion of LDZ Metering Errors from an RbD perspective to ensure the process is robust. RH suggested that the NDM consumption adjustments and the control of information provided could also be included.

It was suggested that the RbD Audit Sub-committee review UNC Modification Proposal 0135 "To extend the scope of the RbD Auditor's role", UNC Section V9.6.1, the March 2007 Distribution Workstream Minutes and the April 2007 RbD Audit Sub-committee minutes to fully understand the conclusions made regarding the setting of the RbD Audit scope.

Post Meeting Note:

Extract from March 2007 Distribution Workstream Minutes:

CW highlighted that UNC Section V9.6.1 indicates that the RbD Audit Sub-committee makes all the decisions, relating to the scope and terms of the RbD Audit. CW expressed concern with placing this in the UNC as this would place constraints on the RbD Audit Sub-committee.

Action RbD 1101: All Members to consider the scope of the RbD audit

It was suggested that the committee consider the Electricity Industry auditing models and related costs.

Action RbD 1102: AT to establish Elexon's auditing model and costs.

5. AOB

None

6. Initial Diary Planning for Sub Committee

Thursday 18 December 2007, 13:00 Renewal Conference Centre, B91 2JR

Thursday 24 January 2008, 13:00 31 Homer Road, B91 3LT

Thursday 26 April 2008, 13:00 31 Homer Road, B91 3LT

Thursday 26 July 2008, 13:00 31 Homer Road, B91 3LT

Thursday 25 September 2008, 13:00 Elexon, 350 Euston Road,

Thursday 25 October 2008, 13:00 31 Homer Road, B91 3LT

Action Table (Appendix 1)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RbD0401	26.04.07	4.1	All committee members to consider the feeder processes that could be included in the RbD Audit for discussion at the July RbD Audit Sub-committee.	All	Action: Complete
RbD0701	26/07/07	2.0	JO to write to all Members seeking formal agreement (or objection) to the 3 feeder processes chosen for the next audit.	JO	Action: Complete 31.08.07
RbD0702	26/07/07	3.0	LW to provide a timetable for the appointment of the next auditor.	LW	Action: Complete
RbD0703	26/07/07	3.0	By end August 2007 all to provide their views on setting the scope of the next audit to LW for consideration.	All	By end August 2007 Action: Complete
RbD1101	22/11/07	4.0	All Members to consider the scope of the RbD audit	All	Action: Pending
RbD1102	22/11/07	4.0	AT to establish Elexon's auditing model and costs.	E.ON UK (AT)	Action: Pending