

## DN Sales Agent Workgroup Meeting 8

25 May 2004

### Minutes

#### Attendees

Iain Osborne	Ofgem (Chair)
Nigel Nash	Ofgem
Roger Morgan	Ofgem
Jessica Hunt	Ofgem
Steve Adcock	NGT
Lee Foster	NGT
Steve Ladle	Total Gas and Power
Francis Blackwell	npower
Duncan Jack	Elxon
Alex Travell	Powergen
Helen Bray	EDF
Andrew Pearce	BP
Marie Clark	Scottish Power
Martin Brandt	Scottish and Southern
Matt Sanders	Centrica
Tim Smith	SOHN Associates
David Genet	LogicaCMG
Richard Street	Statoil
Sebastian Eyre	energywatch

#### 1. Apologies

Steve Briggs                      Centrica

#### 2. Minutes and actions from previous meeting.

##### Action Update -

1 – NGT to circulate its paper setting out relationships between DN's, agency and UNC and how stability of national services will be maintained, escalation routes into agency and impact on agent in event of a DN failure. NGT to prepare paper and circulate to workgroup. **ACTION:OPEN**

2 – NGT to consider implications of shippers/suppliers becoming stakeholders in agent. NGT explained that this issue is being considered by DISG and is agency model is chosen. **ACTION:CLOSED**

3 – NGT legal to respond to Ofgem legal about agency acts, omissions and defaults. NGT legal yet to respond to Ofgem legal. **ACTION:OPEN**

4 - Ofgem extended deadline for submission of proforma responses and notified the AWG accordingly. **ACTION:CLOSED**

5 - BGT to produce paper setting out implications of metering provider of last resort. BGT to present at next AWG meeting. **ACTION:OPEN**

6 – Ofgem revised non-agent shipper/supplier matrix, included mitigating actions and circulated to AWG. **ACTION:CLOSED**

7 – AWG members completed mitigating actions for non-agent shipper/supplier matrix. Ofgem explained that this piece of work will remain open and will be revisited when a decision about agency options is chosen. **ACTION:CLOSED**

8 – NGT's connection presentation was circulated to the AWG by Ofgem. **ACTION:CLOSED**

9 – Ofgem to capture on DN Sales issues log MPRN identifier. Ofgem set out intentions to issue a consultation letter to suppliers proposing that NGT provide to customers the name and address of the GT. Ofgem will continue to update the AWG on progress. **ACTION:CLOSED**

10 – NGT to set out arrangements for managing loss of gas supply. Copy of NGT presentation circulated to AWG. **ACTION:CLOSED**

### **3. DN Sales Project Update**

Ofgem explained the further work to be undertaken to facilitate DN sales. The Authority is due to make indicative decisions on the agency and DN roles and responsibilities options. Ofgem set out its plans to issue two decision documents following the Authority's indicative decision. Ofgem concluded that further RIAs were being drafted on the exit/interruptions regime and offtake code arrangements. Ofgem indicated a three to four week consultation for these RIAs.

### **4. Review of shipper/supplier services matrix (Transco's analysis)**

Ofgem discussed (see attached presentation) the aims of the shipper/supplier services matrix and asked the group whether it had considered Transco's analysis. It was suggested that further work was required to understand fully Transco's response to the service lines provided by shippers and suppliers. Ofgem suggested that the matrix would be constantly revisited and would be an important reference for understanding the services to be provided by the agent.

### **5. Metering arrangements**

The workgroup discussed metering arrangements in the event that NGT sells one or more of its networks. In particular, the group discussed the novation clause which allows NGT to sell its metering assets in the event of DN sales. Ofgem suggested that the metering contract forum is not best placed to discuss the implications for suppliers if NGT sells its meter assets.

Workgroup members set out concerns arising from the novation clause. That is, in the event that NGT sells its metering assets the new meter owners will not be obliged to use Rainbow functionality. If the new MAM develops new systems for managing metering activities suppliers would be obliged to develop new systems to interface with the new

MAM.

Ofgem concluded that the issue for suppliers is not who owns the assets but the interface arrangements. The group agreed that it was sensible to shelve this issue until assets are sold. It was suggested that a condition of sale could be developed which binds DNs to the Rainbow system. Ofgem agreed to consider how shipper/supplier requirements could be captured as part of the DN sales process. **ACTION:OFGEM**

NGT was asked to explain whether it will sell its assets or not. **ACTION:NGT**

## **6. Governance Entity**

Ofgem explained that a number of the models set out in the agency RIA included a governance entity. Ofgem suggested that the role of the governance entity is still under discussion in the DISG and sought the workgroups views on the activities the governance entity may undertake.

A number of views were presented about revised governance arrangements. In particular, it was suggested that the network code modification panel would need to be reconstituted

### **6. A.O.B**

No issues were raised.

## **7. Date of Next Meeting**

To be confirmed.