

DN Sales SPA Workgroup Meeting 10

28 June 2004

Minutes

Attendees

Iain Osborne	Ofgem (Chair)
Nigel Nash	Ofgem
Roger Morgan	Ofgem
Steve Adcock	NGT
Steve Ladle	Total Gas and Power
Alex Travell	Powergen
Martin Brandt	Scottish and Southern
Steve Briggs	Centrica
Tim Smith	SOHN Associates
Darren Dunstall	Logica CMG
Richard Street	Statoil

1. Apologies

Helen Bray	EDF
Andrew Pearce	BP
Marie Clark	Scottish Power
Francis Blackwell	npower

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. Ofgem circulated NGT paper which was discussed during the meeting (see minute point 4) **ACTION:CLOSED**

2 – NGT legal to respond to Ofgem legal about agency acts, omissions and defaults. NGT legal to respond to Ofgem legal. Action being pursued by Ofgem awaiting NGT response. Ofgem explained that it will update the group as soon as this action is concluded. **ACTION:OPEN**

3 – Ofgem to email NGT presentation on arrangements for managing loss of gas supply to AWG. **ACTION:OPEN**

4 – DN Sales team support wider DISG attendance. **ACTION:CLOSED**

5 – Ofgem explained that DISG is to consider information flows between DN's, Agency and NT&T. Ofgem concluded that it is important for shippers/suppliers to discuss the operational impacts of option C and recommended that NGT consider setting up off-line meetings with shippers and report back to DISG. NGT agreed to take this away and update the group. **ACTION:CLOSED**

6 – Revised SPAWG terms of reference were tabled by Ofgem these were discussed and Ofgem agreed to make requested changes and circulate to the workgroup (see minute item 5). **ACTION:CLOSED**

7 – NGT circulated its analysis of the matrix (see minute item 7). **ACTION:CLOSED**

8 – Workgroup to consider governance of each service line (see minute item 7). **ACTION:CLOSED**

9 – Ofgem circulated to the workgroup its draft for SPA development 'strawman' proposals and work programme. **ACTION:CLOSED**

10 – Ofgem explained that the policy decisions concerning metering provider of last resort should be considered by DISG. However, in the event that DNs decide to introduce their own dataflows/systems the SPAWG would consider the arising impacts. **ACTION:CLOSED**

3. Workgroup Terms of Reference

Ofgem discussed the representations it had received about the scope of the SPAWG. Ofgem tabled revised terms of reference for the SPAWG which now seek to complete SPA analysis to support the DN sales process. Ofgem explained that the revised terms of reference aim to:

- Complete analysis of shipper/supplier matrix;
- report to DISG – setting out that DN sales arrangements will not adversely affect the operation of SPA systems;
- keep a watching brief on progression of DN sales arrangements to ensure that SPA development is not hindered.

Ofgem explained that the SPA development programme will commence shortly via a separate working group. The group taking forward the SPA development programme could meet on the same day as SPAWG i.e SPAWG meets in the morning and the SPA development group meets in the afternoon.

The workgroup provided comments on the draft terms of reference. Ofgem agreed to make the changes proposed and email to the workgroup. Ofgem will seek to ratify the terms of reference at the next SPAWG meeting. **(ACTION:OFGEM)**

The group sought clarity about the development of governance arrangements in particular, short form codes. Ofgem agreed to update the group on progress in this area and recommended that the SPAWG should keep a watching brief on the development of UNC governance arrangements. **(ACTION:OFGEM)**

4. Transco's shipper/supplier matrix analysis

The group considered Transco's analysis of the matrix. Transco split the matrix into governed and ungoverned service lines. When considering the ungoverned services a general concern was expressed about whether the agency would continue to provide services i.e M number internet service, RFI bureau. NGT suggested that shippers concerns may fall away if it circulated the service definitions that form part of the DN/xoserve contract. NGT agreed to take this away and consider. **(ACTION:NGT)**

Ofgem agreed to apply the rankings agreed by the group for each service line and recirculate the matrix. **(ACTION:OFGEM)**

The workgroup agreed to consider the matrix's and concentrate analysis on contentious service lines. **(ACTION:WORKGROUP)**

5. Transco's agency stability paper

NGT discussed its paper on the stability of the agency arrangements. NGT suggested that its paper covers a number of areas not just escalation. Clarity was sought on whether the agency board would consider the funding of the agency. NGT suggested the board would consider the strategic direction of the agency and that the board may consider whether efficiencies can be identified. In such circumstances it would be upto the CEO of the agency to consider whether efficiencies can or cannot be made.

NGT's paper included the concept of a user group. NGT explained that the user group would be an appropriate forum to facilitate discussion about the services the agency is providing. The group expressed support for the formation of a user group.

The group discussed escalation arrangements and sought more clarity on how shippers would manage agency failures. NGT agreed to devise a flowchart demonstrating escalation routes between shippers, DN's and the agency. This would be discussed at the next SPAWG meeting. **(ACTION:NGT)**

6. Development of Work Programme

The group discussed the progress of a work programme. Ofgem explained that the SPAWG should seek to complete its analysis of the matrix in the first instance. Following completion of the matrix analysis a report to DISG would be prepared setting out that SPAWG's findings on whether the DN sales arrangements will adversely affect the operation of SPA services.

8. A.O.B

No issues were raised.

9. Dates of next meeting

12 July 2004 and 26 July 04 at Ofgem's 9 Millbank Offices, London (10:00 am start).