

iGT053 - Introduction of annual updates to the AQ values within the CSEP NExA table

Development Workgroup Meeting Minutes – Friday 18th October 2013

Npower, 130 Wood Street, London, EC2V 6DL

Attendees:

Amie Charalambous (AC) – Npower

Trevor Clark (TC) – E.ON

Lisa Wong (LW) – ES Pipelines

David Smith (DS) – Npower

Adam Pearce (AP) – ES Pipelines

Jenny Rawlinson (JR) – GTC

Gethyn Howard (GH) – GTC

Mark Jones (MJ) – SSE

Andrew Margan (AM) – British Gas

Proposed Business Rules

AC outlined the proposed Business Rules, highlighting the intent to utilise the output of collated AQ values following the rules introduced under iGT051. These collated AQ values would be reviewed during the January iGT/Shipper Workgroup where any challenges to the data could be made, and if necessary, the AQ values could be re-worked/amended in time for the March iGT/Shipper Workgroup and prior to the CSEP NExA table being updated in April.

AM queried why the proposed Business Rules offered Shippers the opportunity to provide their own AQ data during the January iGT/Shipper Workgroup, some parties believed this wasn't necessary, however JR commented that she would expect Shippers to highlight any potential issues that may have impacted the AQ review.

AP observed that it wasn't clear within the proposed Business Rules what elements were attributable to the already implemented iGT051 and those being proposed under this mod iGT053. AC agreed to issue future versions of the proposed Business Rules with this clearly defined.

ACTION – AC to issue future versions of the proposed Business Rules differentiating between existing and new processes.

LW enquired who would be responsible for collating all the different iGTs AQ data onto the summarised template. GH replied that this was previously conducted by the iGT and suggested that the proposed Business Rules were worded along the lines of the iGTs being responsible for this collation of data.

ACTION – AC to amend the proposed Business Rules accordingly.

The group discussed at length if and how the Rules should restrict an automatic update to the CSEP NExA table should the data be erroneous. JR expressed concern that there may be instances where the data is incorrect or where a Shipper has failed to submit readings during the AQ review phase.

DS advised that the existing wording in the Rules allowed data to be reviewed and discussed during the January iGT/Shipper Workgroup but this should only be used to highlight significant errors and not small anomalies. AM and AC added that any data was better than none and that this Mod wasn't looking to review the AQ procedures implemented under iGT051. MJ confirmed that AQ data is used for other purposes other than just updating the CSEP NExA table, if there was such an issue with the quality of the AQ data being used it would be highlighted in other areas, to his knowledge this hadn't happened to date. AC re-iterated that the intent of the change was to keep the CSEP NExA tables as up to date and reflective of current consumption patterns as possible, especially as this is ultimately reflected in Customers bills.

AP expressed a concern that the way the proposed Business Rules are currently written doesn't provide the iGTs with enough certainty to reflect the revised CSEP NExA Table values within their contracts with Developers. In particular AP (backed up by GH) was concerned that if the values were only agreed during the March iGT/Shipper Workgroup, the iGTs wouldn't have time to implement the revised values in April the same year. AP advised that ESP would need 6 months from the revised values being agreed to them being implemented in the CSEP NExA table, JR/GH confirmed GTC would need similar timescales. The group debated how this could be incorporated into the proposed Business Rules, potentially pushing back the date for the automatic update from April each year to June or July. The group also debated bringing the initial discussion of the values following the AQ review forward, especially as the collated AQ values should be in place by 30th November each year. This raised the question of who would be responsible for organising the meeting, TC suggested that this could be the Code Administrator but GH responded that this may incur a charge - especially if it was outside of the iGT/Shipper Workgroup meeting schedule. AM suggested that the obligation to organise the meeting was with the iGTs, who may choose to discharge this obligation to Gemserv. GH suggested Gemserv should be asked for their opinion on this.

ACTION – GH to ask Gemserv for their opinion on organising this meeting.

JR queried if it was expected that this Mod would work retrospectively to reflect the recently concluded AQ review values. The group agreed that by the time the Mod had progressed through the change process it would be too late to reflect this year's values and as such, a separate Mod would most likely need to be raised to update the CSEP NExA tables with this year's values.

AP highlighted that from Oct 2015 the updating of the CSEP NExA tables would most likely come under the IAD, this could mean that the associated change AC is proposing to raise to the large Transporters UNC may only be valid for one year.

GH enquired how the automatic updating of the CSEP NExA table would work without the need for a Mod to be raised, AC replied that she had spoken to Jon Dixon at Ofgem who was supportive of the aims of iGT053 and believed it would be possible to update the CSEP NExA table without the need for a Mod each year.

The debate moved back to the quality of AQ data, JR advised that GTC experience a number of erroneous AQ values which they have to challenge with the respective Shippers. DS asked if JR could quantify this, JR didn't have the numbers to hand but advised they were significant. LW also expressed concern that only a subset of data would be used for updating the CSEP NExA table and

wouldn't offer the complete picture. AC advised that this Mod is about using the most up to date data available and whilst there may always be challenges to some of the data, to do nothing with data that was largely accurate and reflective of recent consumption patterns would mean we weren't doing our best for the Customer. AP requested that the proposed Business Rules include a backstop facility to stop the update should it be necessary. JR suggested that all parties should be in agreement before the update took place, AC and DS disagreed with this view and AM confirmed that Shippers already have an incentive to ensure AQ data is as accurate as it can be. The group all agreed that using accurate and reflective data is the correct thing to do. DS suggested that should the iGT/Shipper Workgroup have genuine concerns around the quality of the data that was to be updated into the CSEP NExA table then that group could decide the update would not be beneficial if all were in agreement. There should be governance arrangements to prevent poor quality data being used in the industry but wouldn't allow parties to have this data blocked because they didn't like it.

Action: Parties to think about how agreement should be achieved for change i.e. majority in favour to update vs unanimous and also who would make this decision workgroup or Panel.

GH commented that Ofgem would likely reject the Mod if the proposed Business Rules weren't fully defined. Although there were differences in opinion between members of the group as to how it would work, there was widespread support for the intent of the Mod. DS suggested that a small scale RFI be issued based on an updated process map allowing parties to comment and suggest timescales and solutions to the issues raised during the meeting. AC advised that she would look to issue an RFI w/c 22nd Oct with a 2 week window for responses to be returned. A follow up meeting would be arranged to discuss the responses and for the group to agree revised Business Rules. Due to the extent of the debate it was agreed that this follow up meeting should be face to face and exceed the 2 hour time slot allotted to today's meeting.

ACTION – AC to issue an RFI and arrange a follow up face to face meeting.