



## **GF NRPS Notes**

**2<sup>nd</sup> March 2011**

Attendees:

Colette Baldwin (Chair) – E.ON  
Andrew Wallace – Ofgem  
Cesar Coelho – Ofgem  
Sasha Pearce – npower  
Anne Jackson – Scottish & Southern  
Steve Mulinganie – Gazprom  
David Watson – British Gas

### **Reconciliation Options**

AJ gave an update on solutions that currently exist in the market to correct AQ values. The BTU process was an option that would allow the correction of an AQ and could be adapted to revise an AQ which has been artificially lowered due to longer term theft by a consumer.

A consideration of the Mod 640 process was also raised. Again this is used in circumstances to revise AQ values for threshold crossers, however the group considered whether it would be appropriate to use in circumstances of theft.

AJ will liaise with xoserve to understand the issues with adapting either of these processes to correct AQ values upwards where theft has resulted in a reduced AQ.

### **Theft Modelling**

CC presented models of the various options being considered for the reconciliation of the industry costs for theft of gas. The Models were based on the assumptions the group had agreed, and were split between large and small sites and the impacts on the various parties, shippers and GTs.

The assumptions were also based on market share by sites, and by split between LSP and SSP of 33%/67%.

The group looked at models where the costs of theft were fully socialised, partially socialised or remained as the status quo. The model looked at the impact of revision of the AQ earlier rather than at the next AQ review.

Ofgem will refine the model following the discussions and will circulate to group members for consideration.

**Next meeting: 10<sup>th</sup> March 2011**