

## Project Nexus Workgroup Minutes

Tuesday 06 November 2012

at 31 Homer Road, Solihull B91 3LT

### Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	(MiB)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid Distribution
Anne Jackson	(AJ)	SSE
Andy Miller	(AM)	Xoserve
Brendan Murphy	(BM)	Waters Wye Associates
Cesar Coelho	(CC)	Ofgem
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Dave Corby	(DC)	National Grid NTS
David Mitchell	(DM)	Scotia Gas Networks
Edward Hunter	(EH)	RWE npower
Elaine Carr	(EC)	ScottishPower
Erika Melen	(EM)	Scotia Gas Networks
Gareth John	(GJ)	Corona Energy
Gethyn Howard*	(GH)	Inexus Services
Huw Comerford	(HC)	utilita
Julie Varney	(JV)	National Grid NTS
Katherine Porter	(KP)	EDF Energy
Lorna Lewin	(LL)	Dong Energy
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Naomi Anderson	(NA)	EDF Energy
Peter Thompson	(PT)	Customer Representative
Sue Cropper	(SC)	British Gas
Steve Mullinganie	(SM)	Gazprom
Tabish Khan	(TK)	British Gas
Tim Davis	(TD)	Joint Office of Gas Transporters

\* via teleconference link

### 1. Introduction

BF welcomed all to the meeting.

#### 1.1 Review of Minutes

The minutes of the previous meeting were accepted.

#### 1.2 Review of Actions

**Action NEX09/01:** Ofgem (CC) to review the Project Nexus iGT Agency Services GT UNC and iGT UNC modifications consultation document with a view to providing Ofgem feedback (especially cost and benefit aspects) to Xoserve and thereafter the Project Nexus Workgroup in due course.

**Update:** AM explained that as agreed at the previous meeting, the off-line discussions with Ofgem (CC) had now been completed and further information would be provided under item 3.1.1.1 below.

**Closed**

**Action NEX09/03:** Xoserve (SK) & National Grid Distribution (CW) to investigate the UNC definition requirements and impacts associated with statement 8.4.2 and provide a view on a suitable recommendation.

**Update:** MD explained that this action is related in part to the ongoing Non-Functional BRD (inc. calendar days etc.) developments, which require further consideration during the development of legal text. An update on the progress of the legal text development would be given by CW under item 2.1 below.

**Closed**

**Action NEX09/04:** All parties to consider the recommendations put forward as a result of Action NEX09/03 deliberations.

**Update:** When asked, those present indicated that, in-line with NEX09/03 above, they would be happy to close this action.

**Closed**

**Action NEX09/05:** Xoserve (SK) to provide some additional indicative cost predictions based around the proposals (inc xml functionality provision) contained within the 'PN UNC – NFR Update' presentation.

**Update:** MD advised that whilst an update would be provided in due course it could be 2013 before any meaningful clarity around costing information would become available, although she does anticipate further discussions taking place at the December meeting.

When asked if an update in April 2013 would be acceptable, consensus was that this would be too late. In responding AM explained that this matter should really be viewed as a 'standalone' item that currently sits outside of the Project Nexus £20 million figure. However, Xoserve would endeavour to provide an estimation of any indicative costs (based on a today's world basis) in due course – hopefully within the next few weeks.

**Carried Forward**

**Action NEX10/01:** National Grid Distribution (CW) & Inexus (GH) to provide the date of the next iGT 039 Workgroup meeting when known.

**Update:** Whilst CW indicated that an update would be provided under item 3.1.1.2 below, GH advised that at present no meeting date had been established. He went on to explain that an email invitation had been issued (30/10/2012) and he encouraged parties to respond asap.

**Closed**

## 2. Workgroups

The following Workgroup meeting took place:

### 2.1 0432 – Project Nexus – gas settlement reform

(Report to Panel 21 March 2013) – Papers at:  
<http://www.gasgovernance.co.uk/0432/061112>

### 2.2 0434 – Project Nexus – Retrospective Adjustment

(Report to Panel 21 March 2013) – Papers at:  
<http://www.gasgovernance.co.uk/0434/061112>

## 3. Issues and topics for discussion

### 3.1 High Level Workgroup Issues

#### 3.1.1 iGT Agent Services

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### iGT pre modification cost / benefit information discussion and consultation update

AM opened by explaining that work on the costs and benefits area is ongoing, before CC advised that Ofgem would be happy to receive any confidential information that User's would like to submit – this information would then be collated and aggregated in order to 'protect' individual parties identities. However, he did ask parties to appreciate that under circumstances such as formal requests made under the Freedom of Information Act, confidentiality could not be guaranteed – those present acknowledged the potential risks involved in providing such information.

When asked whether or not there is any structure to the cost and benefit analysis, AM confirmed that in fact there is, and that it is based upon previous workgroup discussions – again any information provided would be aggregated to ensure that confidentiality is maintained. He then asked parties to consider providing a clear indication when submitting their information as to whether or not it is either public or confidential information. Once all the information is provided he will prepare a report for submission to Ofgem and supported by publication on the Joint Office web site.

Moving on to consider whether or not the iGTs would be able to provide views on their respective costs and benefits at this point in time, AM indicated that he was unsure as to whether they could or not. AJ pointed out that at a recent iGT meeting she attended, the iGTs suggested that they would struggle to provide any meaningful cost information until such a time that Xoserve could provide their costs first. Continuing, GH advised that he would attempt to encourage his iGT colleagues to provide indications of their costs and sign up to a set of principles, which should allow the project to progress – he expects that a communication to this effect would be issued shortly.

### iGT 039 Progress Update

Moving on to consider some of the wider progress aspects, AM advised that Xoserve anticipate providing the same service provisions to the iGTs that they currently provide to the Transporters. CW went on to point out that there are many complex contractual considerations to undertake and discussions with the iGTs on aspects such as the Uniform Network Code (UNC), UNC Panel (including possible iGT membership aspects), Governance arrangements and other impact considerations are ongoing. He went on to point out that the iGTs had challenged some aspects of the proposals which could mean that in future we may continue to rely on CSEP NExA's – further debate is expected to take place at the next iGT 039 meeting.

CW suggested that the proposals are far ranging and those involved needed to better understand the options such as whether or not to retain the CSEP NExA based approach or opt for a new governance regime – an update would be provided in due course.

Parties then went on to consider how any Xoserve / iGT cost requirements would be incorporated within the Project Nexus development and whether or not we should simply consider if the current Xoserve / Shipper relationship model (from an invoicing perspective) would be suitable for adaptation for the Xoserve / iGT

relationship going forward. GH suggested that currently the iGTs are unsure of the best option – i.e. to retain their own (existing) invoicing mechanisms or seek to develop new mechanism with Xoserve. AJ also felt that the real issue is related to whether or not any potential future Xoserve / iGT relationship should be considered as being ‘out of scope’ for the iGT pre-consultation considerations. In accepting that the future relationship between Xoserve and the iGTs remains unclear, AM still believes that this matter should remain ‘in scope’.

In closing, CW suggested that various contractual aspects need to be considered at the next iGT 039 meeting and that clarity around this important area is essential as he currently has a draft modification waiting in the wings which he would like to submit to the December UNC Panel. Following a brief discussion, it was suggested that a iGT 039 meeting should be scheduled for w/c 26 November 2012 (not the Wednesday).

**3.1.2 General Principles**

Consideration deferred.

**3.1.3 Indicative Project Plan**

Consideration deferred.

**3.1.4 Non Functional Update**

Consideration deferred.

**3.1.5 Retrospective Update**

Consideration deferred.

**3.2 Transitional Arrangements**

No new items to consider.

**3.3 New Issues**

No new issues to consider.

**4. Workgroup Approach and Plan**

Consideration deferred until the next meeting.

**5. Any Other Business**

None.

**6. Workgroup Process**

**6.1 Agree actions to be completed ahead of the next meeting**

No new actions were assigned.

**7. Diary Planning**

Following a brief discussion it was agreed to schedule in some additional meetings and look to move to fortnightly frequency commencing early in 2013.

The following meetings are scheduled to take place:

Title	Date	Location
Project Nexus Workgroup	04/12/2012	National Grid, 31 Homer Road, Solihull, West Midlands. B91 3LT.

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Project Nexus Workgroup	08/01/2013	National Grid, 31 Homer Road, Solihull, West Midlands. B91 3LT.
Project Nexus Workgroup	22/01/2013	Location to be confirmed.

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**Action Table**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
NEX09/01	04/09/12	2.1.1	To review the Project Nexus iGT Agency Services GT UNC and iGT UNC modifications consultation document with a view to providing Ofgem feedback (especially cost and benefit aspects) to Xoserve and thereafter the Project Nexus Workgroup in due course.	Ofgem (CC)	Update provided. <b>Closed</b>
NEX09/03	04/09/12	2.3.1	To investigate the UNC definition requirements and impacts associated with statement 8.4.2 and provide a view on a suitable recommendation.	Xoserve (SK) & National Grid Distribution (CW)	Update provided. <b>Closed</b>
NEX09/04	04/09/12	2.3.1	To consider the recommendations put forward as a result of Action NEX09/03 deliberations.	All	Update provided. <b>Closed</b>
NEX09/05	04/09/12	2.3.1	To provide some additional indicative cost predictions based around the proposals (inc xml functionality provision) contained within the 'PN UNC – NFR Update' presentation.	Xoserve (SK)	Update to be provided in due course. <b>Carried Forward</b>
NEX10/01	02/10/12	3.1.1.	To provide the date of the next iGT 039 Workgroup meeting when known.	National Grid (CW) & Inexus (GH)	Update provided. <b>Closed</b>