

**UNC Workgroup 0434 Minutes
Project Nexus – Retrospective Adjustment**

Tuesday 22 January 2013

31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	(LD)	Joint Office of Gas Transporters
Alex Ross-Shaw*	(ARS)	Northern Gas Networks
Andy Miller	(AM)	Xoserve
Anne Jackson*	(AJa)	SSE
Brendan Murphy	(BM)	Waters Wye Associates
Chris Warner	(CW)	National Grid Distribution
Dave Corby*	(DC)	National Grid NTS
Ed Hunter	(EH)	npower
Elaine Carr*	(EC)	ScottishPower
Emma Lyndon	(EL)	Xoserve
Emma Smith	(ES)	Xoserve
Erika Melen*	(EM)	Scotia Gas Networks
Huw Comerford	(HC)	utilita
Jon Dixon	(JD)	Ofgem
Julie Varney	(JV)	National Grid NTS
Lorna Lewin*	(LL)	Dong Energy
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Naomi Anderson*	(NA)	EDF Energy
Peter Thompson	(PT)	Customer Representative
Rob Cameron-Higgs*	(RCH)	Wales & West Utilities
Sandra Simpson	(SS)	Xoserve
Steve Mulinganie*	(SM)	Gazprom
Sue Cropper	(SC)	British Gas
Tim Davis*	(TD)	Joint Office

* *via teleconference*

1. Introduction

1.1 Review of Minutes

The minutes of the previous meeting were accepted.

1.2 Review of Actions

Action 0434 01/01: Ofgem (JD) to discuss the Project Nexus funding arrangements with his colleagues and provide a view on what has, or has not, been included within the current Price Control allowance.

Update: JD confirmed that Project Nexus would be funded irrespective of other arrangements. Establishing what was included under the Price Control was not easy. His understanding was that it was on a like for like replacement basis with a few efficiency savings anticipated from redundant/reengineered processes. Capital allowance has been rolled over; operational expenditure is differently treated but Nexus is allowed for.

The £20m additional spend on delivering additional requirements, how this will be handled is what he is trying to establish and has no definitive answer as yet. **Carried forward**

Action 0434 01/02: All parties to look to providing some high-level cost benefit information for the modification as soon as practicably possible (subject to resource constraints) and hopefully in time for consideration at the next meeting.

Update: To date no information had been received by either Xoserve or the Joint Office. AM suggested the creation of a table within the Workgroup Report to capture responses/information provided. BF suggested that parties consider the Workgroup Report and what evidence is required to justify/support this modification on its own merits. **Carried forward**

2. Discussion

The Workgroup Report is due to be submitted to the UNC Modification Panel on 21 March 2013, and it will be necessary to request an extension.

Further discussion was deferred to the next Workgroup meeting.

3. Any Other Business

None.

4. Workgroup Process

4.1 Agree actions to be completed ahead of the next meeting

No new actions were assigned.

5. Diary Planning

The following Workgroup 0434 meetings are scheduled to take place within the business proceedings of the Project Nexus Workgroup:

Title	Date	Location
Project Nexus Workgroup	05/02/2013	31 Homer Road, Solihull, West Midlands B91 3LT
Project Nexus Workgroup	18/02/2013	Energy UK, Charles House, 5-11 Regent Street, London SW1Y 5LR
Project Nexus Workgroup	March	Location to be confirmed - Solihull

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0434 01/01	08/01/13	2.	To discuss the Project Nexus funding arrangements with his colleagues and provide a view on what has, or has not, been included within the current Price Control allowance.	Ofgem (JD)	Update to be provided. Carried forward
0434 01/02	08/01/13	2.	To look to providing some high-level cost benefit information for the modification as soon as practicably possible (subject to resource constraints) and hopefully in time for consideration at the next meeting.	All	Update to be provided. Carried forward