

**Project Nexus Workgroup Minutes**  
**Monday 20 May 2013**  
**at Energy UK, 5 – 11 Regent Street, London. SW1Y 4LR**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	(MiB)	Joint Office of Gas Transporters
Andy Miller	(AM)	Xoserve
Chris Carberry	(CC)	ScottishPower
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Smith	(DS)	RWE npower
David Tennant	(DT)	Dentons
Elaine Carr	(EC)	ScottishPower
Emma Smith	(ES)	Xoserve
Julie Varney	(JV)	National Grid NTS
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Naomi Anderson	(NA)	EDF Energy
Steve Mullingan	(SM)	Gazprom
Sue Cropper	(SC)	British Gas
Tabish Khan	(TK)	British Gas
Tracy Lake	(TL)	National Grid Legal
Tim Robert	(TR)	ScottishPower

**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 NEX05/01:** Xoserve (AM) to provide an initial (1<sup>st</sup> cut) view on when the iGT Agency Services migration preliminary data mapping exercise could commence.

**Update:** It was agreed that this matter had been sufficiently covered at the previous meeting. **Closed**

**Action NEX05/02:** National Grid Distribution (CW) to engage with the other GT's and Xoserve to seek to find a suitable resolution to Outstanding Issue Log ID34 (Ratchets – SOQ / SHQ ratio).

**Update:** CW advised that the GTs remain of the view that the proposed solution is not the best option going forward and discussions around this matter are ongoing. However, should the 'industry' wish to pursue the proposed solution, then perhaps a separate modification outside of Project Nexus would / could be the preferred option – a further update would be provided at the next meeting. **Carried Forward**

**2. Project Nexus Gap Analysis presentation**

Opening, CC explained that the presentation was the result of an internal review carried out within ScottishPower, which had highlighted some issues / concerns associated with some potential gaps within the Project Nexus coverage. Whilst the same presentation had been well received at last months Energy UK meeting,

discussions with Xoserve would seem to suggest that the various points would be 'covered' under the ongoing Project Nexus Rolling AQ developments.

A brief and sometimes detailed discussion on each of the main points of the presentation followed.

Meter Point reconciliation – a clear consensus on whether adopting a reduced normal reconciliation period of 12 months could not be reached with several parties voicing concerns about revisiting old ground which had already been debated at great length during development of other UNC Modifications such as 0395 and 0398. In accepting that in the longer term, the proposal had merit, it was generally felt that awaiting the improved granularity of information that implementation of SMART metering would bring was possibly the best option.

In acknowledging an unwillingness to revisit the Modification 0395/0398 debates, it was suggested that should ScottishPower still feel strongly about this matter, they could always raise a UNC modification to address the issue.

Scaling Factors – CC suggested that whilst not necessarily for inclusion within the current batch of Project Nexus related modifications, ScottishPower remain of the view that this matter should be considered. SM advised that he would also like to see more information around scaling factors and wondered whether or not Xoserve could / would provide some more information relating to the analysis and potential impacts. Responding, MD advised that management information reporting was being considered. CW suggested that whilst this matter relates to the raising of a reporting specific modification sometime in the future, it may be beneficial to raise a new Project Nexus topic to ensure that it is highlighted.

Rolling AQ – ScottishPower remains concerned that there could be a Shipper I.T. system imbalance related issue associated with the Project Nexus proposals that could / would be addressed by moving to a daily AQ process. MD provided a brief resume of the rationale behind the four Project Nexus Product Lines whilst SM pointed out that the (Product 4) proposal seeks to avoid parties being able to manipulate information and should any party wish a more detailed level of information they should select Product 2. Responding, CC suggested that there is still an issue / concern around vacant property impacts.

AM reminded those present that at previous meetings, the consensus views were that the larger players would most likely opt for Product 3 as SMART meters were rolled out – should this prove to be the case then this potentially negates the ScottishPower proposal due to the fact that for Product 3, Shippers submit a batch of readings once per month.

It was felt that should ScottishPower wish to pursue this matter further then they (or Energy UK) should provide supporting information to back up their proposal.

Retrospective Metering Updates – indirectly covered under discussions above.

Supply Point Register – no gaps to discuss.

Invoicing – in acknowledging ScottishPower's point about the fact that hosting workshops during the design stage would prove beneficial, MD advised that Xoserve had provided an Invoicing Proposals presentation for consideration later in the meeting (*please refer to item 4.1*) which she felt should go some way to addressing the matter. AM provided a brief high-level review of the proposed Project Nexus changes to the read submissions process going forward and once again asked parties to take note and consider the proposals.

In closing a new action was placed against the Joint Office (BF/MB) to ensure that a new Project Nexus standing agenda item is created to cover the reporting requirements considerations going forward.

### 3. Workgroups

The following Workgroup meetings took place:

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

(Report to Panel 19 September 2013) – Papers at:

<http://www.gasgovernance.co.uk/0432/200513>

#### 2.2 0434 – Project Nexus – Retrospective Adjustment

(Report to Panel 19 September 2013) – Papers at:

<http://www.gasgovernance.co.uk/0434/200513>

### 4. Issues and topics for discussion

#### 4.1 High Level Workgroup Issues

##### PN UNC Invoicing Proposals presentation

MD opened by explaining that the presentation is the culmination of the work on the Invoicing Principles BRD and associated business rules along with the ongoing invoicing considerations. The key objectives have been 'lifted' from the IP BRD.

Looking at the 'Proposed Invoice Structure' slide, MD advised that the only non-scheduled invoice that springs to mind at this time, is the Theft of Gas invoice. He suggested that the bulk of the invoices should / would fall into the Core Invoices category, which should make for a far simpler process. She then pointed out the principle change around the Ratchet charges that are currently included within the Commodity invoice, but would be moving to sit under the Capacity invoice in future.

In considering the 'Charge Aggregations' slide, MD suggested that the proposals would allow parties to aggregate their charges at any level in future.

In closing, a new action was placed against all parties to review the invoicing proposals with a view to providing their views for consideration at the 17 June 2013 meeting where it is hoped to formally sign off (approve) the proposals.

##### 4.1.1 Outstanding Areas (Issues) Log

MD provided a brief overview of the outstanding issues log, focusing attention on ID29 and ID34. As far as ID29 is concerned, monitoring remains ongoing, whilst ID34 has been discussed elsewhere in the meeting.

In very briefly considering ID34 further, the consensus view around how parties would potentially operate this process would need to be discussed on a one-to-one basis and that the (Xoserve) expectation is that this falls under the Project Nexus design stage considerations that should 'naturally' fall out in early 2014.

##### 4.1.2 Project Plan

AM advised that he anticipates providing a draft plan for consideration at the 17 June meeting.

##### 4.1.3 BRD Updates

MD advised that an updated 'Retrospective Updates' BRD (v2.1) had recently been published on the Joint Office web site – the main changes being around insertion of a new process assumption in paragraph 6.2.15 on page 12, alongside adding clarity around reads in paragraph 8.4.4 on page 22.

##### 4.1.4 Funding Arrangements

Consideration deferred.

##### 4.1.5 Transitional Arrangements

CW advised that whilst this matter remains under development, consideration with the legal teams is commencing and an update would be provided in due course.

## 4.2 New Issues

None.

## 5. Workgroup Process

### 5.1. Agree actions to be completed ahead of the next meeting

**New Action NEX05/03: Joint Office (BF/MB) to ensure that a new Project Nexus standing agenda item is created to cover the reporting requirements going forward.**

**New Action NEX05/04: All parties to review the Xoserve Invoicing Proposals presentation with a view to providing their views for consideration at the 17 June 2013 meeting where it is hoped to formally sign off (approve) the proposals.**

## 6. Any Other Business

### UNC Modification 0453 – Project Nexus – Demand Estimation

CW informed parties that an overview of the modification would be provided at the 17 June meeting and he anticipates that DESC would be keen to be involved in the development of the modification.

During a brief debate it was noted that the provision of historical scaling factor related information, in the form of supporting evidence for the last 18 months worth of movement, would / could aid parties in their respective risk management considerations. It was also requested that this matter should be added as a new live outstanding issue on the log – MD advised that this matter is also being considered internally within Xoserve.

### UNC Modification 0440 – Project Nexus – iGT Single Service Provision

CW advised that Charles Wood (Dentons Lawyers) would attend the next Workgroup meeting scheduled to take place on Monday 24 June 2013 at the Gemserv Office, 10 Fenchurch Street, London. EC3M 3BE. At the meeting it is expected that Charles would run through the legal text developed to date and look to address some outstanding issues (i.e. shrinkage, governance and CSEPs etc.).

### UNC Modification 0432 – Project Nexus – gas settlement reform cost benefit update

AM explained that he is still awaiting Ofgem to arrange a review meeting with him to discuss the cost benefit analysis for the modification.

### Data Cleansing Update

AM advised that Xoserve are currently discussing with Shippers / Suppliers with a view to providing an update on progress being made on the data cleansing topics in due course.

## 7. Diary Planning

The following meetings are scheduled to take place during 2013:

Title	Date	Location
Project Nexus Workgroup (inc. 0432, 0434 & 0453 Workgroups)	17/06/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull. B91 3QQ.
Project Nexus Workgroup (inc. 0432, 0434 & 0453 Workgroups)	09/07/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull. B91 3QQ.
Project Nexus Workgroup (inc. 0432, 0434 & 0453)	30/07/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull.

Workgroups)		B91 3QQ.
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### Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX05/01	07/05/13	1.2	To provide an initial (1 <sup>st</sup> cut) view on when the iGT Agency Services migration preliminary data mapping exercise could commence.	Xoserve (AM)	Update provided. <b>Closed</b>
NEX05/02	07/05/13	3.1.1	To engage with the other GT's and Xoserve to seek to find a suitable resolution to Outstanding Issue Log ID34 (Ratchets – SOQ / SHQ ratio).	National Grid Distribution (CW)	Update to be provided in due course. <b>Carried Forward</b>
NEX05/03	20/05/13	2.	To ensure that a new Project Nexus standing agenda item is created to cover the reporting requirements going forward.	Joint Office (BF/MB)	Update to be provided in due course.
NEX05/04	20/05/13	4.1	To review the Xoserve Invoicing Proposals presentation with a view to providing their views for consideration at the 17 June 2013 meeting where it is hoped to formally sign off (approve) the proposals.	All	Update to be provided in due course.