

Project Nexus Workgroup Minutes
Wednesday 02 April 2014
at 31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Andrea Varkonyi	(AV)	first-utility
Ben Trasler	(BT)	Opus
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Mitchell	(DM)	Scotia Gas Networks
Edward Hunter	(EH)	RWE npower
Elaine Carr	(EC)	ScottishPower
Emma Lyndon	(EL)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Huw Comerford	(HC)	Utilita
James Hill	(JHi)	EDF Energy
James Rigby	(JR)	RWE npower
Karen Kennedy	(KK)	RWE npower
Leigh Chapman	(LC)	first-utility
Linda Whitcroft	(LW)	Xoserve
Lorna Lewin	(LL)	DONG Energy
Martin Connor	(MC)	National Grid
Mark Jones	(MJ)	SSE
Rachel Martin	(RM)	Xoserve
Steve Mullinganie	(SM)	Gazprom
Sue Cropper	(SC)	British Gas

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/nexus/020414

1. Introduction and Status Review

1.1. Review of Minutes

The minutes of the previous meeting were accepted.

1.2. Review of Actions

NEX01/03 (formally 0440 01/02): ES Pipelines (AP) to investigate whether or not the initial determination of the AQ by the iGT for premises not already contained within the AQ calculation table for the purposes of determining the AIGTS AQ is also 'covered off' in the IGT UNC and also to approach GH for an explanation of why paragraph IGTAD Section D2.1.2 is important to the iGTs.

Update: BF explained that he had spoken to A Pearce (ESP) who is of the view that this matter has been 'covered off' in other industry meetings and that the action could now be closed. **Closed**

NEX03/01: All parties to review the RAID log, and specifically the 'requirements tab' and provide feedback at the next meeting.

Update: SC advised that she had submitted some comments to Xoserve. BF pointed out that these would be discussed under item 3.1.1 below. **Closed**

NEX03/02: All parties to review the latest version of the iGT Agency Services BRD (v2.1 dated 18/02/2014) and provide feedback at the next meeting.

Update: BF explained that he was not aware of any adverse comments being raised, therefore BRD will be taken as approved and baselined. CW took the opportunity to inform those present that the Core legal text explanatory tables for UNC Modification 0440 'Project Nexus – iGT Single Service Provision' had recently been published on the Joint Office web site. **Closed**

NEX03/03: All Shippers to review the proposed transition arrangements for Supply Point Administration activities and provide their views at the next meeting.

Update: Please refer to item 3.1.4 below for further details. **Closed**

NEX03/04: Xoserve (MD) with regard to the proposed Supply Point Administration activities to provide additional clarity around the number of Non-effective days and to look to provide various examples for consideration at the next meeting.

Update: In the absence of her colleague M Downes, EL indicated that Xoserve investigations into this matter remain ongoing. **Carried Forward**

NEX03/05: Xoserve (MD) to look to building in the Indicative Transition Topics in to the overall project plan (including dates, anticipated durations needed to review and approve).

Update: In the absence of her colleague M Downes, EL advised that the intention is to include the 'Indicative Transition Topic' item within the end of April Project Plan.

Carried Forward

NEX03/06: Xoserve (FC/MD) to examine the proposed options (in the British Gas 'Further Analysis on Meter Reading Validation Tolerances proposed by Project Nexus' presentation) with an eye to providing an informed view on the preferred solution(s) so that the PNUNC could consider in due course.

Update: EL advised analysis was ongoing, further data has been requested from BG. Update to be provided at next meeting. **Carried Forward**

1.3. Pre Modification Discussions (10mins/item)

No new pre (draft) modification discussions were deemed necessary.

However, GW did point out that he might consider raising a new query process related modification, subject to the ongoing development of UNC Modification 0473 'Project Nexus – Allocation of Unidentified Gas'. In short, if British Gas's concerns around inclusion of the query process within the legal text are not be realised, he will be considering raising the new modification. Responding, GE suggested that we have an ideal opportunity to undertake a new start to development of the 0473 processes and whilst the legal text would focus mainly on the Transporter related aspects, he is also hopeful that it would also address GW's query process related concerns.

2. Workgroups

2.1 0473 – Project Nexus – Allocation of Unidentified Gas

(Report due to Panel on 19 June 2014) – Papers at:

www.gasgovernance.co.uk/0473/050214

3. Issues and topics for discussion

3.1 High Level Workgroup Issues

3.1.1 RAID Log

In the absence of MD no specific update was provided and the expectation is that the log would be reviewed again at the next meeting. No comments have been received in regards to the requirements and so will be reviewed at the next meeting.

3.1.2 Project Plan

EL explained that there had been no major changes to the plan since the last meeting, but did agree to discuss with her colleague MD, as to whether or not the high-level design dates remain 'on track' and provide a view at the next meeting.

A copy of the latest version of the document is available to view &/or download under 'Management Documentation' at: <http://www.gasgovernance.co.uk/nexus/ManagDoc>

3.1.3 BRD Updates

BF advised that other than the discussion undertaken when considering Action NEX01/03 (formally 0440 01/02) above, there are no other updates to the document to be made aware of.

3.1.4 Transitional Arrangements

Nexus Workgroup – Transition 2nd April 2014 presentation

LW provided a brief overview of the Xoserve presentation. In considering the USRV Incentive Regime, it was noted that PAF (Performance Assurance Framework) provisions would also incentivise parties to provide reads in future.

Examining the 'USRV Incentive Charges – The Future' graph, LW suggested that should the downward trend continue then the incentive charges could change as a consequence.

Moving on to consider the 'Route 1: Xoserve Resolution' slide, LW agreed that the move from the current 30 month to the proposed 4 months to resolve outstanding USRV's prior to Project Nexus go-live is a 'big step' change, although this is offset by the fact that there will no longer be a USRV process come October 2015 (the point at which reads are going to be validated at source in the new world). She went on to advise that current resolution of outstanding USRV's by Xoserve involves a mix of both desktop exercises &/or site visits, or both. It was also recognised that data cleansing exercises would potentially reduce numbers.

When asked, LW confirmed that current build assumptions are that consumption adjustments would continue to be applied.

BF pointed out that the current UNC USRV defined term would no longer apply post Project Nexus go-live which begs the question as to what 'true' incentive would there be in the new world – responding, LW advised that a new transitional modification would be forthcoming to address the issue.

Looking at the 'Route 2: Consumption Adjustments' slide, LW advised that Xoserve would be marking reads as 'suspect' where they (the reads) appear anomalous, whereupon parties would then have the opportunity to adjust the read by means of a replacement of the read or consumption adjustment.

LW then advised that Xoserve are currently considering the retrospective rule and the transitional rules to be applied to reads pre-implementation and reads received post implementation. A question was asked if CMS would continue to be used for USRV's. LW responded that Xoserve would be looking at the CMS (Contact Management System) requirements for the post Project Nexus go-live world.

When considering the 'Assumptions' slide, Xoserve were asked whether or not they would be able to consider providing resolution of outstanding USRV's under User Pays arrangements prior to go-live. Responding, LW pointed out that subject to resource constraints, which may limit their ability to provide this, they could consider providing a User Pays service. If parties are keen to have this form of service provision please can they provide their views to Xoserve.

As part of providing updates on transition rules LW re-visited moving from RbD to Meter Point Reconciliation previously agreed at PNUNC. Example (billing month Sep '16)' slide and consideration of any potential reconciliation that goes beyond 12 months for SSP sites, LW advised that in the new world, SSPs will have a variance (in essence for SSPs the energy is left out in the cold) but LSPs would have full reconciliation – it is different to the current 01 October process and threshold crossers principles. Concerns were voiced that in the new world it appears that 12 months worth of energy would be lost for the SSPs.

When considering the 'Unidentified Gas Reconciliation (UGR) Mechanism – Example (billing month Oct '16)' slide, LW pointed out that the principle works in a similar fashion to the current RbD process (inc. energy related aspects). GE suggested that the crux of the matter lies in the actual scale of 'materiality' involved, whilst KK pointed out that in reality it is day 1 old v's new world allocation. LW then advised that the URG pot would be smeared across SSPs/LSPs based on their respective throughputs.

When asked whether or not there would be any potential legacy transfer of risk associated to SSP reconciliation, LW responded by stating variance periods will be created pre and post implementation date. Any SSP's pre implementation date will not attract any reconciliation charges so there is no transfer of risk relating to pre-implementation.

GE wondered whether or not it would be appropriate to consider the issues involved in moving from the old world reconciliation of energy into the new LSP world – possibly a 'line in the sand' up to 01/10/15 followed by a proportional based approach beyond 01/10/15. He went on to point out that he is not proposing changes to the LSP (pre/post) reconciliation, but focus consideration on what we do with the legacy energy to hopefully avoid potential 'gaming' opportunities. Xoserve agreed to a new action to provide information relating to historic LSP reconciliations.

LW went on to highlight that Shippers would need to submit their reads in the new world to ensure AQ's are calculated regularly and so reflect consumption. She pointed out that historically circa 8 million (AQ) amendments have been requested using reads provided by Shippers to Xoserve via the spec calc which have not been loaded into UK Link – it was recognised that Shippers would need to adapt their current approaches to mitigate risk of sporadic AQ values as part of rolling AQ.

In concluding the presentation LW reminded those present that the overarching approach to RbD closeout had already been agreed and documented in the Reconciliation BRD to enable system design to commence.

Action NEX04/01: All parties to review the two proposed Transition Route Options and provide their views in time for consideration at the 12 May 2014 meeting.

Action NEX04/02: Xoserve (LW) to provide information on historic reconciliation periods and provide a view at the 12 May 2014 meeting.

3.1.5 Uniform Network Code Validation Rules

Whilst no specific update was provided it was agreed to retain this item on the agenda for the foreseeable future.

3.1.6 Performance Assurance

BF advised that the Performance Assurance Framework Workgroup met the day earlier (01 April), where focus was on the ongoing development of the business rules. A further meeting is scheduled for 09 April to continue discussions.

3.2 New Issues

No new issues were raised.

4. Any Other Business

None.

5. Diary Planning

The following meetings are scheduled to take place during 2014:

Time/Date	Venue	Workgroup Programme
10:30 Tuesday 15 April	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	0473
10:30 Monday 12 May	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	0467 & 0473
10:30 Wednesday 04 June	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	0467 & 0473
10:30 Wednesday 18 June	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	0467
10:30 Tuesday 08 July	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	0467
10:30 Tuesday 22 July	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	To be confirmed
10:30 Monday 11 August	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	To be confirmed
10:30 Tuesday 09 September	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	To be confirmed
10:30 Tuesday 07 October	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	To be confirmed
10:30 Tuesday 04 November	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	To be confirmed
10:30 Tuesday 09 December	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	To be confirmed

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX01/03 (formally 0440 01/02)	28/01/14	1.2	ES Pipelines (AP) to investigate whether or not the initial determination of the AQ by the iGT for premises not already contained within the AQ calculation table for the purposes of determining the AIGTS AQ is also 'covered off' in the IGT UNC and also to approach GH for an explanation of why paragraph IGTAD Section D2.1.2 is important to the iGTs.		Closed
NEX03/01	19/03/14	3.1.1	To review the RAID log, and specifically the 'requirements tab' and provide feedback at the next meeting.	All	Closed
NEX03/02	19/03/14	3.1.3	To review the latest version of the iGT Agency Services BRD (v2.1 dated 18/02/2014) and provide feedback at the next meeting.	All	Closed
NEX03/03	19/03/14	3.1.5	To review the proposed transition arrangements for Supply Point Administration activities and provide their views at the next meeting.	All Shippers	Closed
NEX03/04	19/03/14	3.1.5	With regard to the proposed Supply Point Administration activities to provide additional clarity around the number of Non-effective days and to look to provide various examples for consideration at the next meeting.	Xoserve (MD)	Carried Forward Update due at 15 April 14 meeting.
NEX03/05	19/03/14	3.1.5	To look to building in the Indicative Transition Topics in to the overall project plan (including dates, anticipated durations needed to review and	Xoserve (MD)	Carried Forward Update due at 15 April 14 meeting.

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			approve).		
NEX03/06	19/03/14	3.1.6	To examine the proposed options (in the British Gas 'Further Analysis on Meter Reading Validation Tolerances proposed by Project Nexus' presentation) with an eye to providing an informed view on the preferred solution(s) so that the PNUNC could consider in due course.	Xoserve (FC/MD)	Carried Forward Update due at 15 April 14 meeting.
NEX04/01	02/04/14	3.1.4	To review the two proposed Transition Route Options and provide their views in time for consideration at the 12 May 2014 meeting.	All	Update due at 12 May14 meeting.
NEX04/02	02/04/14	3.1.4	To provide information on historic reconciliation periods and provide a view at the 12 May 2014 meeting.	Xoserve (LW)	Update due at 12 May14 meeting.