

Project Nexus Workgroup Minutes
Tuesday 08 July 2014
at 31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andy Miller	(AM)	Xoserve
Angela Love*	(AL)	ScottishPower
Ben Trassler	(BT)	Opus Energy
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Huw Comerford	(HC)	utilita
James Hill	(JH)	EDF Energy
James Rigby	(JR)	RWE npower
Leigh Chapman	(LC)	first:utility
Liz Furmedge*	(LF)	first:utility
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Mike Bagnall	(MB)	British Gas
Steve Mullinganie	(SM)	Gazprom
Sue Cropper	(SC)	British Gas

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/nexus/080714>

1. Introduction and Status Review

1.1. Review of Minutes

The minutes of the previous meeting were accepted.

1.2. Review of Actions

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: Update to be provided at the 22 July meeting. **Carried Forward**

NEX06/01: Xoserve (AM) to consider whether or not DMV sites could migrate to Class 2, and if not, what would be the shortest period that Xoserve required to re-confirm them to NDM before Nexus implementation.

Update: AM advised that discussions looking into allowing DMV's to continue for 6 months following the Project Nexus go-live date remain ongoing. He went on to add that a UNC modification would be required to facilitate such a change in due course. When asked whether Class 1 sites could be moved into Class 2 at a later date, AM confirmed that they could.

CW added that Transporters are considering what read equipment impacts there might be. **Closed**

New Action NEX07/01: DN's to consider what is expected to happen with their current read equipment when DMV sites are migrated into Class 2 post Project Nexus go-live date and what provisions, if any, Shippers may be required to undertake.

NEX06/02: Xoserve (AM) to provide an explanation, including any Network referral activities, for the confirmation of a supply point to Class 2.

Update: Whilst an update is to be provided at the 22 July meeting, AM did provide a brief explanation of the rationale behind the action. Several concerns relating to capacity notification time loops, disaggregation rules and twin stream meter sites and how these might be managed going forward were voiced. It was noted that twin stream sites are excluded from disaggregation considerations at this time. **Carried Forward**

NEX06/03: Xoserve (AM) to provide a list of portfolio reports data items for information to Shippers.

Update: AM explained that consideration and discussions relating to CSEPs remain ongoing. **Carried Forward**

NEX06/04: Xoserve (MD) to provide a presentation on how SSP capacity aggregation is applied (inc. how the maximum AQ/SOQ aspects would work at a CSEP level).

Update: Similar to action NEX06/03, discussions remain ongoing. **Carried Forward**

1.3. Pre Modification Discussions (10mins/item)

Whilst it is not a specific pre-modification discussion point, SM provided a brief update on recent Uniform Network Code Committee (UNCC) discussions on their ability (or not) to approve a change to the Project Nexus go-live date (currently scheduled for 01 October 2015). In his view this has become especially pertinent in respect of the recent Ofgem decision on UNC Modification 0491 'Change implementation date of Project Nexus to 1st April 2016', in which he believes they (Ofgem) in their decision letter have passed the power (governance) to change the date to the UNCC – however, this was not a unanimously shared view of those present. BF reminded everyone that Ofgem is a non voting UNCC member and would therefore be able to provide their views on any proposed date change.

CW pointed out that the legal text for Modification 0432 included provisions for the UNCC to be able to change the implementation date. However, it does not include a process to achieve this objective and it is likely the UNCC would need to adopt one.

A comprehensive discussion ensued during which items such as UNCC voting requirements (unanimous or majority), arbitration of any UNCC proposed/approved date change, the mechanism for proposing a change (raising a paper which proposes a change to the go-live date etc.), what if any, appeals mechanisms would be available (possibly by raising another paper) and how issues could/would be escalated. BF noted that usually matters of implementation fall under the auspices of the UK Link Committee (UKLC) and any outstanding issues are escalated up to the UNCC for resolution, however this mechanism was deemed unnecessary for Project Nexus purposes.

Some parties remained of the view that there was insufficient Gemini and winter impacts related information (evidence) at this point in time to successfully identify a suitable alternative Project Nexus go-live date. This was not a view supported by Gazprom as they believe that there are sufficient grounds for a date change on the basis of their potential commercial risk evaluations. SM pointed out that at the last UNCC meeting, he agreed to consider the scope of a consultation and the questions

required in consideration of aspects of the 0491 decision and any possible decoupling of Project Nexus and European system changes.¹

Moving on, SM added that he had already highlighted the matter at the recent ICoSS meeting and would provide feedback to this Workgroup in due course. Regardless, Gazprom are keen to raise a 'paper' favouring an April 2016 go-live date in due course. CW suggested that should Gazprom raise their proposed paper in time for consideration at the August UNCC meeting, the UNCC members may consider seeking an industry consultation on any proposed date change before making a 'final' decision.

Some parties believe that several key pieces of information would be required from Xoserve (i.e. system design, assessment of the impacts of decoupling Project Nexus / Gemini / UK Link systems etc.) before any paper is put forward and that this would/could potentially influence industry views. In reminding those present that Xoserve had previously provided their views on aspects such as decoupling Project Nexus / Gemini / UK Link systems in setting out their case for the 6 month period within their 0491 consultation, AM also pointed out that it is not envisaged that the Project Nexus implementation would be a phased one on the grounds that there is no longer any (resourcing) scope to build any change in to the proposed approach – in essence it is too late in the day to change the prescribed approach. When asked about the (0491) 6 month window, AM agreed to double check whether or not Xoserve would be able to provide a 'drop dead' date. He asked parties to note that scripting (coding) had already commenced. AM remains of the view that the issue is really more related to whether the industry is ready for Project Nexus changes in time, and less about whether Xoserve can deliver the systems.

When asked, AM indicated that Xoserve would have major concerns around possible multiple proposed date changes as this would lead to a great deal of uncertainty as there are issues relating to the timings associated with any proposed go-live date changes. He then added that any re-planning of the project would need to seek to mitigate any potential commercial risks as much as possible.

AM remarked that with regards to the current go-live date of 01 October 2015, Xoserve would not be looking to commence the systems build phase expecting to 'hold back' delivery as this would have significant impacts upon the testing window and delivery cost related aspects.

In acknowledging that questions remain unanswered around the role (or not) of the UNCC and industry views remain divided on whether or not this is the most appropriate fora one suggestion put forward was for appointment of an Independent 3rd Party to undertake an assessment of Shipper readiness to undertake Project Nexus changes – it was felt that a UNC Modification would be required to create the 'effect' of an auditor. It was recognised that how best to procure such a service would remain an issue as Xoserve would not be able to undertake such a task as they are already actively involved in the project.

SM advised that he anticipates discussing the matter in more detail with Ofgem in due course.

BF noted that subject to a UNCC decision to change the current Project Nexus go-live date, a Revised Notice(s) of Implementation would be needed for UNC Modifications 0432 and 0434. He also suggested that the matter is not something that this Workgroup could resolve at this time and it is certainly a subject which the UNCC would need to consider in its entirety in due course. Should the Workgroup consider it appropriate a new issue could be placed on the agenda in due course.

¹ A copy of the UNCC discussions on UNC Modification 0491 is contained in the 19 June 2014 meeting minutes at: <http://www.gasgovernance.co.uk/uncc/190614>

2. Workgroups

2.1 0473/0473A – Project Nexus – Allocation of Unidentified Gas

(Report due to Panel on 18 September 2014) – Papers at:

<http://www.gasgovernance.co.uk/0473>

3. Issues and topics for discussion

Opening, BF advised that no papers had been provided by Xoserve prior to the meeting.

AM provided a brief update on the progress being made in considering the outstanding MPRN and Unique Sites issues, explaining that Xoserve are proposing undertaking discussions with impacted parties to consider potential resolution of the (twelve) related issues. It is anticipated that Xoserve would be writing out to those parties holding a unique site to try to progress matters. He then explained that there remains concerns relating to the circa 100 sites for which there are approximately 180 commercial contracts in place and some form of bespoke arrangements for these unique sites may be needed going forward, with the aim being to reduce the number of such sites. He reminded parties that some of these unique sites would be expected to drop away and become 'normal' NDM sites. Some parties felt that this topic is ripe for consideration within various dedicated workshops outside the remit of this Workgroup.

When asked when it is expected that the 'to-be' flows and file formats would become available, AM advised that the first example (Change of Supplier process) is due to be considered at the 22 July meeting and Xoserve would endeavour to provide these 5 business days before the meeting, although it is more likely to be 3 to 4 days before. He went on to point out that at this stage the file format details would not be included whilst reminding those present that the rationale behind providing the 'to-be' flows was a business rather than technical one.

New Action NEX07/02: Xoserve (AM) to double check whether or not the 'to-be' flows would highlight previous CSEP data items alongside any new items, from a system build perspective.

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 22 July	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	0473/0473A
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	National Grid Office, 31 Homer Road,	To be confirmed

November	Solihull. B91 3LT.	
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
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)	Update to be provided. Carried Forward <u>To be discussed at 22 July meeting</u>
NEX06/01	04/06/14	3.1.1	To consider whether or not DMV sites could migrate to Class 2, and if not, what would be the shortest period that Xoserve required to re-confirm them to NDM before Nexus implementation.	Xoserve (AM)	Update provided. Closed
NEX06/02	04/06/14	3.1.1	To provide an explanation, including any Network referral activities, for the confirmation of a supply point to Class 2.	Xoserve (AM)	Update to be provided. Carried Forward
NEX06/03	18/06/14	3.2	To provide a list of portfolio reports data items for information to Shippers.	Xoserve (AM)	Update to be provided. Carried Forward
NEX06/04	18/06/14	4.1	To provide a presentation on how SSP capacity aggregation is applied (inc. how the maximum AQ/SOQ aspects would work at a CSEP level).	Xoserve (MD)	Update to be provided. Carried Forward
NEX07/01	08/07/14	1.2	To consider what is expected to happen with their current read equipment when DMV sites	DN's	Update to be provided.

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			are migrated into Class 2 post Project Nexus go-live date and what provisions, if any, Shippers may be required to undertake.		
NEX07/02	08/07/14	3.	To double check whether or not the 'to-be' flows would highlight previous CSEP data items alongside any new items, from a system build perspective.	Xoserve (AM)	Update to be provided.