

Project Nexus Steering Group Minutes

Monday 14 September 2015

31 Homer Road, Solihull B91 3LT

Attendees

Alex Travell	(AT)	E.ON UK
Chris Warner	(CW)	National Grid Distribution
Dave Turpin	(DT)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Gill Williams	(GW)	PwC
James Beverley	(JB)	Baringa
Jeremy Guard	(JG)	First Utility
Jon Dixon	(JD)	Ofgem
Les Jenkins (Chair)	(LJ)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Mike Harding	(MH)	Brookfield Utilities
Sandra Simpson	(SS)	Xoserve
Sandi Bains	(SB)	PwC
Sean McGoldrick	(SMc)	National Grid NTS

Copies of papers are available at: <http://www.gasgovernance.co.uk/NexusSG/140915>

Key Messages from this meeting:

There were no Key Messages for circulation after this meeting.

Steering Group members received updates on several actions in progress and commenced a review of the Programme Risks and Issues Register. This remains in progress and it is hoped to complete the review at the next meeting on 28 September 2015.

1.0 Introduction and Review of Minutes

'Chatham House Rules' apply to general discussion.

LJ welcomed all to the meeting; quoracy was confirmed.

1.1 Note of Alternates

None.

1.2 Review of Minutes (01 September 2015)

The minutes of the previous meeting were approved.

2.0 Programme Report

The next formal Programme update will be given at the meeting on 28 September 2015.

3.0 Matters for Consideration

3.1. Decoupling RAASP from Core (Actions 0704 and 0903)

An updated draft document had been provided for review. GW drew attention to the revisions made following the last meeting (context, definitions, numbers), and affirmed that it remained broadly the same in regard to options and costs.

LJ reported that concerns had been raised in various quarters in respect of the apparent lack of understanding of the purpose of this document on the part of some industry parties. It was noted that this document was not intended to be an impact assessment in the same vein as an Ofgem regulatory impact assessment, but was formulated to provide a Project contingency impact assessment. It was suggested that a renaming of the document to “Project Nexus Contingency Options Analysis” and a restatement of its purpose within the document itself might help to address and clarify comprehension. It was also suggested it be added to the Risk Register, and for it to be made clear which option might be selected, having first checked and confirmed the viability of the options. The document should be clear in its conclusions/recommendations and needs to be ready for immediate use should the occasion warrant it being called into service.

GW and SB will revise the document taking into account the discussions and suggestions, and provide for publication.

3.2. Market Trials Approach: Review/Approval

GW reported that the MTWG had required further time to review the approach and this was to be confirmed at the MTWG meeting the next day. It was suggested that the MTWG provide sufficient evidence to the PNSG to demonstrate that the appropriate milestone had been successfully achieved, and provide a copy of the finalised MT Approach for publication on the Joint Office website. The PNSG would then look to assess/approve the milestone at its next meeting.

3.3 Governance Interactions: Review/Approval

A Shipper member expressed disappointment at the lateness of the publication of meeting papers, observing that this gave the group very little time to review with constituents and comment. GW apologised for this and explained the reason. It was suggested that the PNSG needed to receive papers a minimum of 3 working days prior to a meeting to give sufficient time for constituent consultation and preparation of any responses. PwC noted that, for the next meeting, papers should be made available by 23 September 2015.

Moving on to consider the document GW outlined the context and modifications made. The four refined key recommendations were then reviewed individually, in more detail.

Recommendation 1 - The workings and governance of UK Link Committee (UKLC) were discussed. It was concluded that PwC should attend the UKLC meetings to monitor and provide assurance of effectiveness and that the process is working. It was also suggested that the risk of it *not* working be added to the Risk Register.

Recommendation 2 - The provision of a ‘single version of truth’ was discussed. JB explained how Baringa validated and assured Xoserve. As a starting point the updates that Xoserve deliver internally could be used as the basis to deliver a ‘seamless’ pack.

Action 0907: Nexus Governance Interactions/Recommendation 2 - PwC, Xoserve and Baringa to consider what constitutes a regular update.

GW confirmed that the latest MTL2 assessment criteria had been issued to all market participants, and that PwC will use the portal to maintain anonymity. The MTWG and the portal evidence will provide assurance that everything is proceeding to the Plan.

PwC has tried to align the assurance activities to the Plan and these will be reported on a timely basis. LJ stressed the need to provide an 'early warning'. The Reporting Pack is Xoserve-centric at present, and portal intelligence should be added in on a monthly basis to elucidate progress made by other market participants and to assess whether remedial action is required (sooner rather than later). This was discussed. GW reiterated the checkpoints in the process, and the assurances that all the phases are prepared for and ready for entry/exit. SS indicated that Xoserve could report on progress through the Report, but cannot report on which organisations had problems/issues in the testing -this should come from the PwC route. The risk is that the industry is off track and not reacting to remedy any issue soon enough. The portal will offer opportunities for quantitative and qualitative analyses.

A Shipper representative suggested there was value in asking Shippers about their readiness for MTL3 and L4, observing there were concerns regarding very new Shippers who might need assistance with this (not only were they building systems for the current world, but also having to do so for the post Nexus world). The materiality of any identified level of 'unreadiness' would have to be assessed - how many parties would need to be ready for 'go live' and did size matter?

GW agreed that a 'reminder' for MTL3 and 4 would be good to prompt parties to think past L2; some additional questions (for information purposes) could be included in the portal release that day (SB arranged for this at the conclusion of this discussion).

Recommendation 3 - A number of clarifications and revisions were suggested and SB noted these. The changes will be made as discussed, the Governance paper will then be reissued for further review and comment, with the final document to be published for 23 September 2015.

Action 0908: Nexus Governance Interactions/Recommendation 3 - PwC to revise the Governance paper, reissue for review/comment, and publish by 23 September 2015.

Recommendation 4 - The MTWG's views were still to be determined. This recommendation was intended to mitigate the risk that the Market Trials were not done properly and milestones were not achieved. The current assurance points were reiterated; perhaps the question should be, what is the role of the MTWG once market testing is underway, or is there a role for/the need for oversight by another group?

4.0 Key Milestones Approval to Proceed

4.1 L2 MT Approach Approved

Approval deferred to next meeting (28 September 2015); see 3.2, above.

5.0 Programme Risks and Issues

PwC had provided the log for review and discussion; each item was considered individually.

5.1 Risks

Risks R.01 - R.08 (Likelihood and Impact Ratings, and Mitigation Actions) were reviewed. Ratings were discussed and assessed and readjusted to reflect current circumstances.

Appropriate Mitigation Actions were considered in respect of each Risk, and a number of clarifications, revisions and additions were suggested. SB noted these; the changes will be made and the Risk Register will be updated.

In view of time constraints it was agreed to continue the review of the Risk and Issues Register at the next meeting on 28 September 2015.

5.2 Issues

Issue 1.06 - Anonymisation of Data for Market Trials

A Shipper representative outlined the concerns raised by various parties, regarding potential infringement of the Data Protection Act. The impact on the Transfer of Ownership process and the implications for testing were discussed. It was understood that MTWG wanted to see Xoserve reassess the data cut. GW offered to discuss and obtain an initial impartial assessment/view from PwC legal department.

In respect of this Issue, LJ summarised that MTWG should make sure that all elements were clearly articulated; seek a legal view; and recommend a way forward. PNSG would then be able to make an assessment of any identified implications. JD added that it parties choose not to participate in Market Trial then they would bear the consequences.

6.0 Outstanding Actions

The outstanding actions were reviewed.

0704: PwC to start on impact assessments (including potential mitigation) for decoupling RAASP (from Core) should this later be required.

Update: See 3.1, above. **Closed**

0803: PwC to consider the risks that are reported and to agree with Xoserve appropriate wording for an Xoserve resourcing risk.

Update: Completed. **Closed**

0804: *PNSG ToR* - Xoserve/Baringa to ascertain whether a plan along the lines of the Joint Industry Plan for SMART could be provided.

Update: To be provided for the next meeting (28 September 2015). **Carried forward**

0901: *MT Readiness Defects Statistics* - Xoserve to provide definitions of the categories P1 and P2, together with some example defects.

Update: SS reported that she would circulate a slide, obtain views and include this in the Reporting Pack. **Closed**

0902: *Implementation Plan* - National Grid Distribution (CW) and PwC (AS) to liaise and update the plan to align to the requirements implemented by Modification 0458.

Update: Completed. **Closed**

0903a: *Decoupling RAASP from Core* - All parties to read the assessment paper and submit any comments to PwC.

Update: See 3.1, above. **Closed**

0903b: *Decoupling RAASP from Core* - Xoserve to clarify and revalidate the assumptions.

Update: See 3.1, above. **Closed**

0903c: *Decoupling RAASP from Core* - PwC to reposition the paper and clarify its anticipatory nature, making it clear that it does not detract from the main Implementation Plan.

Update: See 3.1, above. **Closed**

0904: *Communication Plan* - Xoserve to clarify how/where queries will be handled (initial assessment, route, expected response time, etc) and to re-communicate this information.

Update: SS has reminded UKLIEF of the process and will provide statistics for the Reporting Pack. **Closed**

0905: *UKLC/UNCC Escalation route* - LJ to request the UNCC consider and agree an ad hoc process to deal with any technically based impasses that are escalated from UKLC.

Update: It has been added to the agenda of the next UNCC meeting (17 September 2015) and LJ will provide an update at the next PNSG meeting. **Carried forward**

0906: *Nexus Governance Interactions* - Redraft document to clarify communication/escalation routes.

Update: To be issued by correspondence for review. **Closed**

7.0 Any Other Business

7.1 Cost Benefit Analysis

Following discussions with constituents, a Shipper representative advised that two Shippers were working on providing some information this week, however the view was that Xoserve was best placed to provide the information required. It was then suggested that PwC could ask some key questions on monetary values involved through the portal route.

7.2 Joint Industry Plan

Due to time constraints this could not be reviewed at this meeting and would be added to the next meeting's agenda. SS indicated that Xoserve had further items for addition to the Plan. Those present were encouraged to send any questions/comments to PwC (A Sinclair and R Shilton) for review before the next meeting.

8.0 Key Messages and Items for Publication

There were no Key Messages for circulation after this meeting.

9.0 Next Agenda and Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Next Meeting

The next meeting will be held at Ofgem's Offices, starting at 10:00.

At this meeting the expectation will be to:

- Review any action updates
- Review the Industry Implementation Plan
- Review Key Milestones
- Continue review of Risks and Issues Register.

Attendance

It is assumed that all members will attend/participate unless the Chair is notified otherwise and any meeting papers for publication should be provided to the Joint Office as soon as possible and in advance of each meeting.

Members are reminded they must formally notify the Joint Office of any absence and the attendance of their Alternate.

Unless otherwise notified, Project Nexus Steering Group meetings will take place as follows:

2015

Time/Date	Venue	Workgroup Programme
10:00 - 13:30, Monday 28 September 2015	Ofgem, 9 Millbank, London SWIP 3GE	<ul style="list-style-type: none"> • Review any action updates • Review Industry Implementation Plan • Review Key Milestones • Continue review of Risks and Issues Register.
10:00 - 13:00, Monday 12 October 2015	Ofgem, 9 Millbank, London SWIP 3GE	Formal checkpoint meeting
13:00 - 16:00, Monday 02 November 2015	Ofgem, 9 Millbank, London SWIP 3GE. Approximate start time no earlier than 13:00 (following Change Overview Board meeting)	To be confirmed
10:00 - 12:00, Monday 16 November 2015	Teleconference	To be confirmed
13:00 - 16:00, Monday 07 December 2015	Ofgem, 9 Millbank, London SWIP 3GE. Approximate start time no earlier than 13:00 (following Change Overview Board meeting)	To be confirmed
10:00 - 13:00,	Ofgem, 9 Millbank, London SWIP	Formal checkpoint meeting

Friday 18 December 2015	3GE	
----------------------------	-----	--

2016

Time/Date	Venue	Workgroup Programme
10:00 - 11:00, Friday 08 January 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 18 January 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>Formal checkpoint meeting</i>
13:00 - 16:00, Monday 08 February 2016	Ofgem, 9 Millbank, London SWIP 3GE. Approximate start time no earlier than 13:00 (following Change Overview Board meeting)	<i>To be confirmed</i>
10:00 - 12:00, Monday 22 February 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 14 March 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>Formal checkpoint meeting</i>
10:00 - 12:00, Monday 28 March 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 11 April 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 12:00, Monday 25 April 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 16 May 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>Formal checkpoint meeting</i>
10:00 - 13:00, Friday 27 May 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>Formal checkpoint meeting</i>
10:00 - 13:00, Monday 13 June 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 12:00, Monday 27 June 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00,	Ofgem, 9 Millbank, London SWIP	<i>To be confirmed</i>

Monday 11 July 2016	3GE	
10:00 - 13:00, Wednesday 27 July 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>Formal checkpoint meeting</i>
10:00 - 13:00, Monday 08 August 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 12:00, Monday 22 August 2016	Teleconference	<i>To be confirmed</i>
10:00 - 13:00, Monday 05 September 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>To be confirmed</i>
10:00 - 13:00, Monday 19 September 2016	Ofgem, 9 Millbank, London SWIP 3GE	<i>Formal checkpoint meeting</i>

Action Table (14 September 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0704	01/07/15 <i>(amended 03/08/15)</i>	3.0	PwC to start on impact assessments (including potential mitigation) for decoupling RAASP (from Core) should this later be required.	PwC (AS)	Closed
0803	18/08/15	2.0	PwC to consider the risks that are reported and to agree with Xoserve appropriate wording for an Xoserve resourcing risk.	PwC (AS)	Closed
0804	18/08/15	3.3	<i>PNSG ToR</i> - Xoserve/Baringa to ascertain whether a plan along the lines of the Joint Industry Plan for SMART could be provided.	Xoserve (SS) and Baringa (MA)	<i>Update due 28 September meeting</i> Carried forward
0901	01/09/15	2.2	<i>MT Readiness Defects Statistics</i> - Xoserve to provide definitions of the categories P1 and P2, together with some example defects.	Xoserve (SS)	Closed
0902	01/09/15	2.2	<i>Implementation Plan</i> - National Grid Distribution	National Grid	Closed

Action Table (14 September 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			(CW) and PwC (AS) to liaise and update the plan to align to the requirements implemented by Modification 0458.	Distribution (CW) and PwC (AS)	
0903a	01/09/15	3.1	<i>a) Decoupling RAASP from Core</i> - All parties to read the assessment paper and submit any comments to PwC.	All parties	Closed
0903b			<i>b) Decoupling RAASP from Core</i> - Xoserve to clarify and revalidate the assumptions.	Xoserve (SS)	
0903c			<i>c) Decoupling RAASP from Core</i> - PwC to reposition the paper and clarify its anticipatory nature, making it clear that it does not detract from the main Implementation Plan.	PwC (AS)	
0904	01/09/15	3.2	<i>Communication Plan</i> - Xoserve to clarify how/where queries will be handled (initial assessment, route, expected response time, etc) and to re-communicate this information.	Xoserve (SS)	Closed
0905	01/09/15	3.4	<i>UKLC/UNCC Escalation route</i> - LJ to request the UNCC to consider and agree an ad hoc process to deal with any technically based impasses that are escalated from UKLC.	Chair (LJ)	Update due 28 September meeting Carried forward
0906	01/09/15	3.4	<i>Nexus Governance Interactions</i> - Redraft document to clarify communication/escalation routes.	PwC (AS)	Closed
0907	14/09/15	3.3	<i>Nexus Governance Interactions/Recommendation 2</i> - PwC, Xoserve and Baringa to consider what constitutes a regular update.	PwC, Xoserve and Baringa	Update due 28 September meeting Pending
0908	14/09/15	3.3	<i>Nexus Governance Interactions/Recommendation 3</i> - PwC to revise the Governance paper, reissue for	PwC (GW/SB)	Update due 28 September meeting

Action Table (14 September 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			review/comment, and publish by 23 September 2015.		Pending