

Project Nexus Workstream Minutes Monday 23 November 2009

Energy Networks Association, Horseferry Road, London

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Bali Dohel	(BD)	Scotia Gas Networks
Chris Warner	(CW)	National Grid Distribution
David Harries	(DH)	Total Gas and Power
Fiona Cottam	(FC)	xoserve
Gareth Evans	(GE)	Waterswye
Hazel Ward	(HW)	RWE npower
Joanna Ferguson	(JF)	Northern Gas Networks
Karen Kennedy	(KK)	Scottish Power
Lisa Harris	(LH)	Shell Gas Direct
Martin Brandt	(MB)	Scottish & Southern Energy
Peter Thompson	(PT)	Customer Representative
Richard Street	(RS)	Corona Energy
Rosie McGlynn	(RM)	EDF Energy
Sallyann Blackett	(SB)	EON UK
Sean McGoldrick	(SMcG)	National Grid NTS
Shirley Wheeler	(SW)	xoserve
Stefan Leedham	(SL)	EDF Energy
Steve Mulliganie*	(SM)	Onshore Consulting
Steve Nunnington	(SN)	xoserve
Tim Davis (Secretary)	(TD)	Joint Office

* By teleconference

1. Introduction

BF welcomed all to the meeting.

1.1 Review of Minutes

The minutes of the meeting held on 30 October 2009 were agreed.

1.2 Review of actions

Action NEX0016: Consider the list of Proposed Workgroups and Principles in xoserve's presentation and respond with views on additions or deletions

No responses were received.

Closed

Action NEX0017: xoserve to publish revised Initial Requirements Register by 10 November.

This was published on 10 November.

Closed

Action NEX0018: All to provide suggested additions, deletions and mergers within the Initial Requirements Register to the Joint Office by 18 November.

No responses were received.

Closed

2. Update on the Revised Workgroup Approach and Plan

1.3 Proposed Workgroup Principles

FC presented for xoserve, explaining that the aim was to define the scope of forthcoming principle setting meetings.

With reference to the proposed principle workgroups, SB asked why only Smaller Supply Point and AMR drift reconciliation had been included in the initial scope. This excluded Larger Supply Points and Daily Metered sites, which SB felt would be impacted by whichever approach it was decided should be taken to allocation - while there may be a different end point and process, the principles would be similar. SN indicated that nobody had raised this in consultation responses, and those responses had been used to inform the initial coverage which xoserve had put forward.

RM asked for a definition of what xoserve meant by “principles” and suggested there would be benefit in using consistent and clear terminology that distinguished between levels of detail. FC suggested the initial focus on principles was driving towards high-level business rules, and that was what xoserve meant by principle setting. These could then be worked on to create additional detail and full business rules.

MB questioned whether the scale of each topic should be tailored according to what actually emerged rather than being allocated to one of three streams – small, medium or large – and necessarily assumed to need the associated effort. FC agreed with this, emphasising that the plan had been put together to provide some simplified assumptions and guidance, rather than being a strait jacket within which groups would be organised in practice – there was no intention to stretch debate neither to fill the allocated time nor to curtail productive discussion.

There was some debate around whether or not it was realistic both that:

- the industry would be able to resource the number of meetings suggested; and
- the number of meetings was sufficient to produce the level of detail required to develop Modification Proposals, business rules and systems specifications.

It was agreed that progress should be kept under review. Ideally the end point would be a suite of agreed Modification Proposals being put to the Authority for approval, avoiding Alternative Proposals as far as possible.

RM asked if the MPR process could be used to move things forward and help to generate an agreed single way forward – thereby avoiding the possibility of multiple Alternative Proposals being put to Ofgem. SM questioned whether a steering group might be needed, including Ofgem involvement, much as proved to be necessary for RGMA. SL suggested that PNAG could play a role along these lines. RM added that it may be useful to establish a Steering Group formally under the UNCC, and the present PNAG could become this body.

RS suggested that the process is fundamentally different to RGMA, which involved industry change and new contracts whereas Project Nexus was about systems change under an existing contract. SM questioned where the oversight came from in this context, and it was clarified that the intention was for the Workstream to act as a coordinating body to try to ensure a consistent approach across the various topics. The Modification Panel would also provide oversight and was able to send live Modification Proposals to the Project Nexus Workstream if it considered this appropriate, avoiding fragmentation.

The Workstream then ran through the proposed topic areas, starting with supplier switching. MB, supported by RM, felt switching could be fundamentally impacted

by smart metering and hence that it would not be productive to consider the topic before the way forward on smart metering was clearer. AR also pointed out that Gemini constrained the supplier switching timescales rather than simply Sites and Meters. RS added that he saw merit in looking at the Transporters processes behind the scenes with a view to identifying constraints that could inform the smart metering programme and avoid unrealistic expectations being raised. This would cover, for example, information requirements and flows. SL was concerned that the same issues may be discussed within the smart metering programme and duplication should be avoided. SB suggested that she had envisaged this area looking at issues which would not be impacted by smart metering and AMR, e.g. looking at reconciliation.

MB felt that if there are system constraints that impact supplier switching, these would need documenting rather than being debated at meetings. CW questioned whether additional areas should be included, such as incorporating iGT Supply Points.

SM suggested that if this area was not going to be discussed because of smart metering issues, it could still be progressed for the advanced metering market – which others supported. In addition, he added that a DECC view was anticipated in the near future which would hopefully provide some of the clarity required regarding the way forward for smart metering. However, clear concerns remained that the impact of the Smart Metering programme created uncertainty and the possibility of duplicated or abortive work. In light of this, SB suggested focussing on areas that were clearly within scope initially, which HW supported and thought had already been agreed. FC thought a number of concerns would be covered during the AMR discussions.

Moving to the NDM Allocation principle area, FC set out the areas that had been raised in consultation responses. It was agreed that this should cover all supply points, and so be called Allocation – which SB described as how you settle on the day both once new metering approaches are fully rolled out and in the transitional period prior to full installation of smart meters.

RS felt daily allocation processes should not be regarded as out of scope. FC explained that, notwithstanding that the future daily allocation process would need to be considered at some stage, the exclusion had been proposed as defining the details went beyond a high level principle. RS said the key was the timing of when files and data had to be submitted since these had significant cost implications, and he would want to be able to discuss this as a principle.

SW asked how many meetings would be needed to take this area forward. MB suggested that this was dependent on the range of issues raised and suggested that a process should be followed to ensure the list derived through consultation responses remained current. As a planning assumption, it was agreed that four meetings should be allowed for the allocation principle workshops.

Turning to the AQ principle area, it was agreed that one possible outcome was that Aqs would not be needed – although continued use during the transition to smart metering was likely. FC added that Aqs may also still be needed for transportation charges, and SL felt it would be helpful if the Transporters were to set out why they required Aqs, especially where this was necessary to fulfil licence conditions. This may mean looking beyond AQ, for example to SOQ.

It was agreed that the planning assumption should be to allow three meetings for the AQ principle area.

On the SSP Reconciliation principle, SB suggested looking at reconciliation as a whole, thereby avoiding the constraint that SSPs should be treated differently. FC suggested that the Market Differentiation assumptions could feed into this, which would mean looking at usage rather than consumption as the differentiator. SL also cautioned against looking at some of the UNC Modification Proposals in this area

that had proved controversial because of the widely differing viewpoints. MB agreed that there was a risk of re-running the debates and suggested the process should ensure this would be avoided – it may be worth being explicit about excluding debates around the allocation methodology.

It was agreed that the planning assumption should also be to allow three meetings for this principle area.

SB asked why the Reconciliation of AMR Equipment to Metered Consumption principle had been put forward as separate to reconciliation as a whole. FC explained that, despite not receiving consultation responses on this, xoserve felt there were principles that needed to be established. CW argued that Shippers would validate the data, so there should be no UNC implication. HW felt the area was different to general reconciliation as it was looking specifically at AMR equipment and hence could only arise in one sector – much like DM drift. SL argued that this was too detailed to be a high-level principle area on its own and could be considered alongside other AMR issues or, as SB suggested, within general reconciliation.

CW raised a concern that a number of the areas referred to the treatment of volumes and meter reads being considered later, which he felt potentially needed to be clarified early in the process. It was clarified that this had implications for Smart Metering and hence should be deferred, although it remained the case that consideration could be given to the Project Nexus requirements once consumption data was provided from whatever source. CW remained keen that consideration be given to the question of what the Transporter needed to be involved in and so to fall within the UNC.

On the Retrospective Updates principle area, MB questioned any assumption as to where the master record of any data would be held, and whether this would be within a Project Nexus system. FC responded that this should not prevent principles being considered even if that implied passing issues to a different body in light of the data management solution adopted. HW was not convinced this was relevant in a smart metering world where data would be provided to xoserve rather than xoserve manipulating the data themselves. However, RS countered that there would be issues to consider if the market rules allowed for differing data to be provided by a third party and how it should subsequently feed through xoserve systems.

It was felt that this area could be handled within the Workstream as a high level principle should be quickly established.

Finally, on Residual Data Management, it was agreed that progress should await the outcome of the smart metering debate since the principle was to look at the data that fell outside the smart metering programme.

Having agreed a way forward as planning assumptions for the principle meetings, FC asked if aiming to leave three weeks between any meetings on the same principle was sensible. It was agreed that two weeks minimum could be aimed for.

3. Next Steps – Diary Planning

It was agreed that the Workstream should meet on 14 December at the Holiday Inn, Solihull. RS would present on AMR at this meeting, and xoserve would provide some thoughts on Terms of Reference for each of the principle areas identified.

MB suggested that all should come to this meeting ready to confirm which areas they would wish to see covered from the Initial Requirements Register as it may be possible to identify some issues which no longer needed to be taken forward, thus giving some more definition to the scope of work to be taken forward. It was agreed that this might be sensible if possible, but that nothing should be ruled in or ruled out at this stage.

18 January 2010 was identified as a suitable date for the next Workstream meeting and the Joint Office is to book monthly meetings for 2010.

4. AOB

None raised.

Action Table - 23 July 2009

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX 0016	30.10.09	2.	Consider the list of Proposed Workgroups and Principles in xoserve's presentation and respond with views on additions or deletions (see www.gasgovernance.co.uk/nexus/301009)	All	Closed
NEX 0017	30.10.09	2.	Publish revised Initial Requirements Register by 10 November	xoserve (SW)	Closed
NEX 0018	30.10.09	2.	Provide suggested additions, deletions and mergers within the Initial Requirements Register to the Joint Office by 18 November	All	Closed