

Project Nexus Market Differentiation Workgroup Minutes

Wednesday 24 June 2009

Teleconference

Attendees

Tim Davis (Chair)	(TD)	Joint Office
Mike Berrisford (Secretary)	(MB)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Bob Fletcher	(BF)	Joint Office
Chris Hill	(CH)	RWE Npower
Elaine Carr	(EC)	Scottish Power
Fiona Cottam	(FC)	xoserve
Jemma Woolston	(JW)	Shell Gas Direct
Joanna Ferguson	(JF)	Northern Gas Networks
Joel Martin	(JM)	Scotia Gas Networks
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	xoserve
Richard Street	(RS)	Corona Energy
Sean McGoldrick	(SM)	National Grid NTS
Shirley Wheeler	(SW)	xoserve
Stefan Leedham	(SL)	EDF Energy
Steve Mulliganie	(SMu)	Onshore Consulting
Steve Nunnington	(SN)	xoserve

1. Introduction

TD welcomed all to the first meeting of the Workgroup explaining that the main aim of this initial meeting was to agree the Terms of Reference.

All materials relating to the Workgroup will be published on the Joint Office website at <http://www.gasgovernance.com/Code/Workstreams/nexus/>.

2. Consider Terms of Reference

TD explained that, while the terms of reference specifically referenced market differentiation, it was intended that the same structure would be used for all the planned Topic Workgroups. Thereafter, the terms of reference were amended during the following discussions.

Section 5 - Quoracy Level

It was agreed that quoracy should be six, with at least two Transporter and two Shipper representatives. TD confirmed this would be based upon numbers attending, not the numbers of organisations represented by an individual.

Section 6 – Roles and Responsibilities

It was agreed that xoserve should produce any business rules on behalf of the Workgroup.

Section 3

SL voiced concern that Section 3 appears to assume that there should be Market Differentiation. SN suggested the Workgroup may recommend that there should be no differentiation, and that would be consistent with the Terms of Reference. There was certainly no intention to rule out this option.

SW suggested adding that the group should record every point raised in Nexus consultation responses and check they had been considered. RS suggested that this could be covered in reports to the Project Nexus Workstream but that this should not be seen as a mechanism for excluding items. The process should ensure any suggestions are captured and actioned in an appropriate manner, not just those raised during consultation.

Section 8 Timetable

SL suggested more flexibility should be allowed rather than working to a constrained timetable. For example, impacts from other Workgroups may arise and interdependencies should be taken into account. It was agreed to change the heading to 'Indicative Timetable'.

Section 2

AR voiced concern that the examples provided were inappropriate, implying there should be differentiation between SSP and LSP supply points. It was agreed to remove the example from the terms of reference.

Section 5

SL argued that any materials presented should be available no later than five business days prior to the meeting, allowing time to obtain an informed internal view before making any agreements at the meeting concerned. He would not be able to commit on matters presented in a shorter timescale. Others felt a more pragmatic approach would facilitate progress. It was agreed that material should be provided as early as possible, and that if any agreement was needed then early circulation was essential.

Revised terms of reference were then approved.

Post meeting note: a revised copy of the terms of reference (v2.0) has been published on the Joint Office web site at www.gasgovernance.com/Code/Workstreams/nexus/ToR.

3. Workgroup Process

Describing the most appropriate approach to follow within the Workgroup, SN said xoserve's intention had been to initially look at as-is process models. However, they now felt the starting point should be presentation of views expressed during consultations. MD then presented a suggested workplan for the group to follow. The main discussion points being:

- the term solutions refers to processes rather than systems;
- it is expected that this Workgroup will 'hand off' their findings for consideration and development through to completion in other groups;
- this Workgroup is focusing more on conceptual processes than actual system changes;
- the findings of this Workgroup may have a material impact upon the work of other groups; and
- the proposed approach to the cessation and sign off meetings for the various Workgroups may not easily fit for the Market differentiation Workgroup.

SN proposed that process maps should only be prepared for areas where interdependencies between this and other workgroups exist, and this was accepted as was the workplan as presented.

Action NEMD0001: Consultation respondees to prepare discussion materials to set out the issues raised (for consideration at the 14-15 July meeting)

4. Diary Planning for Workgroup

TD said all proposed meeting dates were on the JO web site events diary and a separate spreadsheet had also been published.

It was agreed to hold all meetings at 31 Homer Road, Solihull, following the published schedule except the 13-14 July meeting would be rescheduled to 14-15 July.

5. AOB

None raised.

Appendix 1**Action Table – 24 June 2009**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEMD 0001	24.06.09	3.	Prepare discussion materials to set out the issues raised in consultation responses	Consultation Respondees	For presentation on 14 July