

Project Nexus Workgroup Minutes

Tuesday 04 December 2012

at 31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	(MiB)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid Distribution
Alex Ross	(ARo)	Northern Gas Networks
Alison Jennings	(AJ)	Xoserve
Anne Jackson*	(AJa)	SSE
Andy Miller	(AM)	Xoserve
Chris Warner	(CW)	National Grid Distribution
Cesar Coelho	(CC)	Ofgem
Darren Lindsay	(DL)	E.ON UK
Dave Corby	(DC)	National Grid NTS
David Mitchell	(DM)	Scotia Gas Networks
Elaine Carr*	(EC)	ScottishPower
Emma Lyndon	(EL)	Xoserve
Emma Smith	(ES)	Xoserve
Erika Melen	(EM)	Scotia Gas Networks
Fiona Cottam	(FC)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Gareth John	(GJ)	Corona Energy
Gethyn Howard*	(GH)	Inexus Services
Huw Comerford	(HC)	utilita
Jon Dixon	(JD)	Ofgem
Julie Varney	(JV)	National Grid NTS
Lorna Lewin	(LL)	Dong Energy
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Mike Lapper	(ML)	National Grid Distribution
Naomi Anderson	(NA)	EDF Energy
Peter Thompson	(PT)	Customer Representative
Steve Mullinganie	(SM)	Gazprom
Tabish Khan	(TK)	British Gas
Tim Davis*	(TD)	Joint Office of Gas Transporters
Zoe Murphy	(ZM)	RWE npower

* via teleconference link

1. Introduction

BF welcomed all to the meeting.

1.1 Review of Minutes

The minutes of the previous meeting were accepted.

1.2 Review of Actions

Action NEX09/05: Xoserve (SK) to provide some additional indicative cost predictions based around the proposals (inc xml functionality provision) contained within the 'PN UNC – NFR Update' presentation.

Update: AM confirmed that the inclusion of xml functionality would not incur any additional Project Nexus costs as it forms part of a 'normal' industry upgrade to the service. As a consequence it would be managed independently of Project Nexus. When asked whether or not the functionality would be introduced alongside delivery of Project Nexus, AM explained that, as the two initiatives are not inter-linked, the xml functionality could be introduced sooner or later (than the Nexus requirements), subject to appropriate engagement with the industry and future consideration by the UKLink Committee – as yet there is no implementation date.

Closed

2. Workgroups

The following Workgroup meeting took place:

2.1 0432 – Project Nexus – gas settlement reform

(Report to Panel 21 March 2013) – Papers at:
<http://www.gasgovernance.co.uk/0432/041212>

2.2 0434 – Project Nexus – Retrospective Adjustment

(Report to Panel 21 March 2013) – Papers at:
<http://www.gasgovernance.co.uk/0434/041212>

3. Issues and topics for discussion

3.1 High Level Workgroup Issues

3.1.1 iGT Agent Services

iGT pre modification consultation update

AM opened by focusing attention on the recently published 'iGT Agency Services – pre Modification Consultation' document and requested that any questions/responses appertaining to this matter be directed to him by no later than the proposed 18 January 2013 close-out date.

SM indicated that due to his other industry commitments (such as Ofgem initiatives etc.) he very much doubts that he would be able to allocate sufficient resources to the task of collating suitable response information in time for the January deadline. Responding AM suggested that if SM could provide high level indications (descriptions) around the cost/benefits aspects, this would suffice in the first instance. NA advised that she would endeavour to provide a suitable level of information within her response.

AM went on to point out that he also anticipates that the UNC Modification Report(s) would cross reference the pre-consultation report in due course. CC suggested that Ofgem are hoping that the pre-consultation process would assist them in any subsequent "minded to" considerations – in essence, a pre iGT Modification nod in the right direction.

iGT 039 Progress Update

GH advised that the iGT039 Workgroup had a meeting last Thursday (29/11/2012) where they discussed items such as a high-level governance framework approach (including consideration of iGT involvement in parts of the UNC governance in future) and it is hoped that the outcome of these deliberations would help to 'shape' UNC Modification(s) development.

Moving on, he explained that consideration of suitable process flow diagrams and descriptions (including consideration of harmonisation between the various iGT/DN processes where appropriate) has been tabled on the agenda for the forthcoming January 2013 meeting.

CW advised that, with regard to the governance arrangements, whilst a great deal of work had already been undertaken, he was keen to seek feedback on whether this forms the basis for a suitable solution (i.e. the principle that iGT's would/could be able to sign up to 'limited' aspects of the Uniform Network Code going forward). At present, this is only a tentative proposal and work would be ongoing. When asked, if inclusion of the iGT's within the UNC governance framework was a foregone conclusion, CW confirmed that this was not necessarily the case and neither should it be seen as potentially impacting on the Project Nexus plan and delivery in the longer term.

3.1.2 General Principles

Consideration deferred.

3.1.3 Indicative Project Plan

Consideration deferred.

3.1.4 Non Functional Update

Consideration deferred.

3.1.5 Retrospective Update

Consideration deferred.

3.2 Transitional Arrangements

No new items to consider.

3.3 New Issues

3.3.1 Funding Arrangements Update – *Ofgem / Transporter view on progress*

AR informed those present that work in this area with the Authority is ongoing and that a report would be provided in due course. However, he remains of the view that front loading funding for Project Nexus would be extremely difficult – no special treatment for Project Nexus funding arrangements is envisaged at this time.

BF suggested that there could be benefit in adding this matter to the Issues Register so that the Workgroup could monitor progress.

3.3.2 Project Nexus Workgroup – Outstanding Areas Log review

MD provided a brief overview of the rationale behind the spreadsheet.

After undertaking some quite detailed discussions, the following summaries were agreed:

ID1 – already resolved during consideration of item 2.1 above;

ID2 – following concerns voiced around potential cost implications, RGMA data flows, erroneous MDD data, SMET aspects, lack of a suitable SPAA upfront validation mechanism (potentially exposing parties to commercial risk) alongside Product ID issues, further investigation by Xoserve is to be undertaken - it was acknowledged that whilst the principle could work care

would be needed to avoid developing a solution that possibly does not understand, or accurately reflect market needs;

ID3 – it was suggested that as there is no direct link between the SOQ and AQ this option is not required;

ID4 – suggested resolution (Area) agreed;

ID5 – after it was confirmed that this would not form part of an objections process, the suggested resolution (Area) was agreed;

ID6 – after a brief discussion around further consideration of electronic read impacts by Xoserve, and confirmation that corrections would still be able to be provided and reads would not necessarily be rejected (as consumption adjustment would be utilised to validate) a new action was placed on all parties to consider whether consumption adjustments should be used to replace the consumption for a day or a period and provide their views at the next meeting;

ID7 – some concerns voiced around proposed aggregate zero's potentially impacting on the larger DM sites (resulting in potentially large market volume/energy swings being witnessed). Thereafter, following a suggestion by JV, it was agreed to utilise a default D-7 estimate, with scheduling charges based on zero (0) value;

ID8 – a new action was placed on all parties to consider whether the principle that only existing reads can be replaced after the read submission deadline is feasible and provide their views at the next meeting, and

ID9 – Both GE and SM indicated that this is similar to a current ICoSS issue which is being considered, and requested that the issue remains 'open' on this log, subject to a report back by them at the next Workgroup meeting – this was agreed. It was also felt that a Transporter view around DMM sites would be beneficial at some point in the future.

The list would now be updated to reflect discussions and in time for review at the next meeting.

4. Workgroup Approach and Plan

AM advised that both Xoserve and Ofgem had been working closely on finessing the Project Nexus Plan. When asked when a copy would become available, AM advised that he expects that an updated version would be published in January 2013. Thereafter, further consideration was deferred until the next meeting.

5. Any Other Business

Ofgem Project Nexus Resourcing Change

CC confirmed that this would be his last (active) Project Nexus meeting and he would be replaced by his colleague Jon Dixon, from January 2013 onwards, although he does expect to keep a watching brief over progress going forward.

Project Nexus Workgroup Meeting Frequency

It was suggested that having fortnightly meeting from January/February 2013 onwards could prove beneficial, especially in light of the ongoing development of legal text.

Whilst indicating that he would be happy to consider scheduling fortnightly meetings (probably from March 2013 onwards), BF pointed out that due to the popularity of recent meetings it would be prudent to consider alternative venues and locations such as London.

6. Workgroup Process

6.1 Agree actions to be completed ahead of the next meeting

The following new actions were discussed and assigned:

New Action NEX12/01: All parties to consider whether consumption adjustments should be used to replace the consumption for a day or a period and provide their views at the next meeting.

New Action NEX12/02: All parties to consider whether the principle that only existing reads can be replaced after the read submission deadline is feasible and provide their views at the next meeting.

7. Diary Planning

Following a brief discussion it was agreed to schedule in some additional meetings and look to move to fortnightly frequency commencing early in 2013.

The following meetings are scheduled to take place:

Title	Date	Location
Project Nexus Workgroup	08/01/2013	National Grid, 31 Homer Road, Solihull, West Midlands. B91 3LT.
Project Nexus Workgroup	22/01/2013	Location to be confirmed.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX09/05	04/09/12	2.3.1	To provide some additional indicative cost predictions based around the proposals (inc xml functionality provision) contained within the 'PN UNC – NFR Update' presentation.	Xoserve (SK)	Update provided. Closed
NEX12/01	04/12/12	3.3.2	To consider whether consumption adjustments should be used to replace the consumption for a day or a period and provide their views at the next meeting.	All	Update to be provided in due course.
NEX12/02	04/12/12	3.3.2	To consider whether the principle that only existing reads can be replaced after the read submission deadline is feasible and provide their views at the next meeting.	All	Update to be provided in due course.