

Project Nexus Workgroup Minutes

Tuesday 05 March 2013

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-Shaw	(ARS)	Northern Gas Networks
Alex Travell	(AT)	E.ON UK
Alison Jennings	(AJe)	Xoserve
Andy Miller	(AM)	Xoserve
Anne Jackson	(AJa)	SSE
Chris Warner	(CW)	National Grid Distribution
Elaine Carr*	(EC)	ScottishPower
Emma Lyndon	(EL)	Xoserve
Emma Smith	(ES)	Xoserve
Erika Melen	(EM)	Scotia Gas Networks
Gareth Evans	(GE)	Waters Wye Associates
Huw Comerford	(HC)	utilita
Julie Varney	(JV)	National Grid NTS
Leanne Thomas	(LT)	RWE npower
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Naomi Anderson*	(NA)	EDF Energy
Peter Thompson	(PT)	Customer Representative
Steve Mulliganie	(SM)	Gazprom
Sue Cropper	(SC)	British Gas
Tim Davis*	(TD)	Joint Office of Gas Transporters

* *via teleconference*

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

No outstanding actions to be considered.

2. Workgroups

The following Workgroup meeting took place:

2.1 0432 – Project Nexus – gas settlement reform

(Report to Panel 20 June 2013) – Papers at:
<http://www.gasgovernance.co.uk/0432/050313>

2.2 0434 – Project Nexus – Retrospective Adjustment

(Report to Panel 20 June 2013) – Papers at:
<http://www.gasgovernance.co.uk/0434/050313>

3. Issues and topics for discussion

3.1 High Level Workgroup Issues

3.1.1 Outstanding Areas (Issues) Log

MD provided a brief overview of the latest version of the log explaining that:

ID2 – work remains ongoing with proposals to be presented to both SPAA and MAMCoP for agreement with further updates to follow, and

ID29 – the issue remains open for monitoring.

The list would now be updated to reflect discussions, including addition of new issues ready for consideration at the next meeting.

PN UNC – Updates as Agreed at PN UNC on 18/02/13 re: Read Submission & Performance Targets update

MD advised that the presentation is provided for information purposes only but following discussions at today's meeting, needs to be updated to remove some inherent errors in the information. An updated presentation will be published for information purposes for consideration at the next meeting.

3.1.2 Project Plan

AM advised that an update would be provided at the next meeting.

3.1.3 BRD Updates

Consideration deferred.

3.1.4 Funding Arrangements

Consideration deferred.

3.1.5 Transitional Arrangements

Project Nexus transition, migration, cutover presentation

AM provided a brief overview of the presentation.

In considering the potential implementation phases that support the provision of the various functionality, SM indicated that he would need to better understand the potential impacts upon legacy systems going forward alongside such matters as to how the Workgroup proposes getting industry agreement.

AM gave an example of the earlier delivery of read functionality. This had the potential to be implemented with minimum disruption to the industry, with impacts which would / could take the form of more read rejections. SM suggested that a better understanding of the potential framework involved is needed, with consideration of the following items (*please note this is by no means an exhaustive list*) being undertaken:

- identification and setting out of the proposals;
- potential Xoserve impacts;
- potential Supplier / Shipper impacts;
- timelines, and
- decision criteria – i.e. is a voting mechanism required, and would this be a simple majority.

AM also advised that an early assessment within Xoserve had suggested that to implement all of the Project Nexus requirements (iGT Agency Services, Settlement Reform, Retrospective Updates etc.) would be too big a task. The iGT Agency Services arrangements on their own, are a huge undertaking for the industry. Some Shippers suggested that there could be the potential to incur additional costs around any legacy system interface requirements should the iGT Agency Service provision be implemented before the Project Nexus elements. Responding, AM advised that industry (Shipper) consultation feedback had indicated a preference for introducing the iGT Agency Service functionality first and that this was a specific question on the iGT Agency Services cost benefit consultation document. Various factors need to be considered (i.e. Xoserve anticipates creating a migration system prior to actual cutover) in order to:

- convert existing data to the new format (e.g. the requirement for a new data item, CSEP i.d.);
- populate missing data;
- maintain data on an ongoing basis, and
- prepare data for cutover.

Concerns were also voiced around the fact that the iGTs may not / do not perceive any true benefits associated with the Project Nexus implementation – this potentially raises some additional commercial risks (i.e. the iGTs desire to be cost neutrality being one example) for UNC parties.

AJa suggested that it may be prudent to seek to sort out the governance aspects associated with the UNC 0440 & iGT039 modifications sooner rather than later, to ensure that the iGTs are fully on board.

At this juncture, AM offered to set out the iGT Agency Services migration and cutover in more detail at a forthcoming meeting.

Regarding overall implementation, AM pointed out that whilst this (Project Nexus) Workgroup would remain essential in determining the way forward, there are existing groups through which any technical matters are progressed, such as the UKLink Committee.

Some believe that it may be necessary to specify (and constrain) the scope of the UKLink Committee in supporting implementation to prevent them from potentially stalling the process – it was suggested that a guidance note around possible UKLC engagement approach could prove helpful. However, it was also recognised that the UKLink Committee could / would / should have a role to play in any future system testing regime. AM advised that he would welcome any feedback on the matter in order to be in a position to develop a type of implementation framework, should it be deemed appropriate.

In recognising that the iGT Agency Services provision clearly warrants a separate modification, SM suggested that items such as read functionality remain a sub set of any modification and therefore care is needed in addressing these. Responding, AM reminded parties that whilst it could be argued that discussions around matters such as (governance arrangements for early implementation) these are the preserve of the UKLink Committee, we are not proposing changes the underlying (legacy) processes. BF suggested that if this

is the case, and no changes to Code are involved, then this is possibly a UNCC governance issue – possibly discharged via the UKLink Committee or a.n. other (new) sub committee. It was suggested that should the Workgroup opt for the UNCC route visibility may become an issue.

It was noted that undertaking a form of PR exercise sometime in the future to highlight early implementation aspects would / could prove beneficial.

3.2 New Issues

None.

4. Workgroup Approach and Plan

Consideration deferred.

5. Any Other Business

Project Nexus iGT Agency Services pre-modification consultation presentation

AM provided a brief overview of the presentation focusing attention on the responses and the subsequent extrapolation of the benefits case related information – in agreement with Ofgem, the benefits determined were considered to be a conservative estimate as it was not possible to extrapolate the benefits for 17 out of the 23 organisations that ship / supply to the iGT market.

AM advised that four out of the five iGT organisations had submitted a response – all were supportive of the overall proposal and all had considered that as they were not beneficiaries of the arrangements they should be cost neutral to them. Discussions between the iGTs and Ofgem remain ongoing on the matter.

When asked, AM confirmed that the consultation report would subsequently be provided to both the UNC 0440 and iGT039 Workgroups. AJa considered that there could well be ‘avoidance of cost’ type benefits for iGTs around iGT RGMA related aspects going forward.

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 NEX03/01: Xoserve (AM) to seek to refine the ‘Project Nexus transition, migration and cutover’ presentation for iGT Agency Services in-line with discussions (inc. a rough timeline indication that takes into consideration the potential early implementation of various Project Nexus functionality modules).

7. Diary Planning

The following meetings are scheduled to take place during 2013:

Title	Date	Location
Project Nexus Workgroup (inc. 0432 & 0434 Workgroups)	18/03/2013	31 Homer Road, Solihull, West Midlands. B91 3LT.
Project Nexus Workgroup (inc. 0432 & 0434 Workgroups)	10/04/2013	31 Homer Road, Solihull, West Midlands. B91 3LT.
Project Nexus Workgroup (inc. 0432 & 0434 Workgroups)	23/04/2013	Location to be confirmed.

Project Nexus Workgroup (inc. 0432 & 0434 Workgroups)	07/05/2013	31 Homer Road, Solihull, West Midlands. B91 3LT.
Project Nexus Workgroup (inc. 0432 & 0434 Workgroups)	20/05/2013	Energy UK Office, Charles House, 5–11 Regent Street, London. SW1Y 4LR.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX03/01	05/03/13	5.	To seek to refine the 'Project Nexus transition, migration and cutover' presentation for iGT Agency Services in-line with discussions (inc. a rough timeline indication that takes into consideration the potential early implementation of various Project Nexus functionality modules).	Xoserve (AM)	Update to be provided in due course.