

Project Nexus Workgroup Minutes Tuesday 07 February 2012

at Elexon, 350 Euston Road, London NW1 3AW

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Alan Raper*	(AR)	National Grid Distribution
Andrew Margan	(AMa)	British Gas
Andy Miller	(AM)	Xoserve
Brian Durber	(BD)	E.ON UK
Brian Liddle	(BL)	Xoserve
Chris Warner	(CW)	National Grid Distribution
David Godwin	(DG)	Xoserve
David Speake	(DS)	ESP Pipelines
Elaine Carr	(EC)	ScottishPower
Fiona Cottam*	(FC)	Xoserve
Gareth Evans*	(GE)	Waters Wye
Imtiaz Kayani	(IK)	E.ON UK
Joanna Ferguson*	(JF)	Northern Gas Networks
Joel Martin*	(JM)	Scotia Gas Networks
Lorna Lewin	(LL)	Shell
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Naomi Anderson	(NA)	EDF Energy
Sean McGoldrick*	(SMc)	National Grid NTS
Simon Trivella*	(ST)	Wales & west Utilities
Steve Mulinganie	(SM)	Gazprom
Steve Nunnington	(SN)	Xoserve
Tim Davis (Secretary)	(TD)	Joint Office
Zoe Murphy	(ZM)	RWE npower

*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

Action NEX12/01: All parties to consider what industry cost vs benefit questions would be appropriate to put before Ofgem for inclusion within the consultation process.

Update: To be reviewed following PNAG meeting, 13 February.

Carried Forward

Action NEX12/02: Joint Office (BF) & Ofgem (CC) to liaise on organisation of an industry workshop to consider the financial (cost) assessments and process efficiency impacts that could then form the basis for developing the type of questions that would seek meaningful responses from Ofgem.

Update: To be reviewed following PNAG meeting, 13 February.

Carried Forward

Action NEX 0106: Retrospective Updates Outstanding Areas: Investigate meter exchange (asset and read) information requirements and provide illustrated examples based on the four scenarios.

Update: Presentation provided by Xoserve, see item 5.2.2 below. **Closed**

2. Modification Workgroups

2.1 0380 – Periodic Annual Quantity calculation

(Report to Panel 15/03/12.) Consideration deferred.

2.2 0357 – Enhanced Supply Point Administration Process

(Report to Panel 15/03/12.) Consideration deferred.

BF asked if the proposers were planning to withdraw these modifications or meetings need to be arranged to agree workgroup reports. CW indicated that he was reluctant to withdraw 0380 in order to ensure Rolling AQ remains high on the agenda. SM indicated that ICOS had withdrawn modifications on the basis of the commitment to withdraw all the modifications in the Nexus arena and he was disappointed to see that the principle had not been followed by others as expected. CW indicated that, in light of this, he expected to withdraw 0380.

SM agreed to approach Richard Street regarding 0357 and its withdrawal.

3. Workgroup Approach and Plan

Topic Workgroup Timeline Tracking

MD provided a brief overview of the tracking document, advising that Retrospective updates were behind schedule though the other topic areas were now baselined.

Project Nexus Workplan

MD provided a brief overview of the workplan pointing out that Retrospective Updates were to be baselined.

Project Nexus Workgroup Outstanding Areas Log

Consideration deferred until the next meeting.

4. Terms of Reference (issues and topics)

No issues raised.

5. Issues and topics for discussion

5.1 High Level Workgroup Issues

No issues raised.

5.2 Further Consideration of Meter Reading Arrangements

5.2.1 iGT Agent Services

PN UNC Workgroup iGT Services presentation

MD introduced the objective, which is to develop detailed business requirements and to-be processes.

AM ran through a strawman process. SM questioned why, if moving to MPRN level, why initial MPRN creation by iGT bulk upload was needed. DS explained that this was to ensure meters are not fitted without a confirmed Shipper – the registration process provides confirmation that a Shipper accepts responsibility for the meter point. While a bulk confirm is provided for each new CSEP, DS saw no reason why this could not be a bulk upload on a per-Shipper basis. SM questioned who should be in control of the registration process and was not clear it is appropriate for the iGT to confirm on behalf of the Shipper. AM clarified that the intention is for the iGT to notify the existence of a CSEP development, and the MPRNs allocated to that site. Shippers would then be able to nominate individual properties as the MPRN would be available as the site is developed, and Xoserve would expect to receive updates as necessary.

Having established the existence of the CSEP and the MPRNs, the (initial bulk) Shipper would receive notification of each MPRN that had been confirmed. BD felt this could be useful for all siteworks, but issues were also raised around the acceptability of a Shipper being confirmed in this way. SM wanted to be clear that a single process would apply for all supply points and that the change of supplier process would work in the same way on CSEPs as elsewhere – and wanted to be clear that the initialisation process would not impact a Shipper's ability to register a site, with the initialised Shipper not able to effectively block an incoming Supplier by not taking any action. AM confirmed that the intention was to follow a standard confirmation process, in the same way as for a DNO sites.

On asset data management, SM challenged why the iGT should be involved in confirming or changing underlying asset data. The principle had been accepted that the GTs should not be involved in this and all changes should flow through the Shipper with no capability for the transporter to update the commercial database. As for change of Supplier, the same route and processes as for the larger GTs should be followed. AM agreed to refine the strawman to deliver commonality.

SM also raised a concern that the iGT may be given a competitive advantage over other MAMs through the design of the process, and that care should be taken to avoid this. AM noted the implication that the same service should be offered to all MAMs rather than just iGTs.

On Transportation charges, AM outlined the prospect of the offer issued by Xoserve including both iGT and GT charges. This would require file format changes, for which Xoserve were looking to minimise the impact. AM questioned why this was different to electricity. DS clarified that the iDNO in electricity collects the whole amount of charges through a single bill. The amount collected is then passed back to the DNOs by the iDNO with no Supplier visibility.

SM requested identification of the files for which potential format changes are envisaged in time for the next meeting. AM agreed to provide as much as possible, bearing in mind the strawman is at a high level at present.

BD raised identification of pressures on networks. CW recognised the need to understand the pressure tier, and mused whether this comes under the AQ topic. AM thought some attributes could be held against the CSEP ID if needed, although DS added that the pressure

tier may change within the CSEP and that the Qmin and Qmax were both needed to aid meter installation design.

CW agreed to provide AM with a note summarising some other areas related to CSEPs that may need to be addressed, although it was recognised that these may be GT to iGT issues rather than impacting Shippers.

5.2.2 Retrospective Updates

PN UNC Workgroup Retrospective Updates presentation

MD provided an overview of the meeting aims, advising the objective was to baseline the BRD.

MD confirmed the To Be process maps are unchanged from the previous discussion, and that all IRR raised issues have been accounted for.

MD then presented the range of scenarios circulated in advance of the meeting.

Scenario 1: the consumptions derived from reads & asset data following the asset update are now incorrect e.g. due to metric/imperial indicator. SM clarified that the reads were correct, but calculated consumption incorrect, and suggested this should automatically be corrected in time once the asset data has been corrected. MD questioned whether the Shipper or system should pick this up. In the context of the AQ calculation, it was clarified that the previous Shipper would not be involved and, consequently, SM suggested that the key was to ensure the present Shipper is treated appropriately – in line with the established principle. MJ asked if the previous Shipper should be informed, but MD clarified that this was not envisaged in order to be consistent with the agreed principle.

Scenario 2: any retrospective updates to information affecting consumption derived from the reads and asset data are assumed to invalidate all subsequent reads e.g. metric to imperial. MD asked if, following correction of asset data, it should be assumed that all consumptions are incorrect or if the system should calculate them and Shippers be informed. SM said that the data being corrected was key and the rule should be based on the data being replaced in order to ascertain if the read is valid. SN suggested it might be safer to assume the read is invalid – the system could invalidate all consumptions that could then be recalculated from the prevailing reads. If reads also had a problem, the Shipper could also take action to replace them. BD questioned whether alternative reads would be available – reads and asset data errors need to be separated and the read is the read.

In circumstances where the read is incorrect, such as the number of digits and dials not matching, FC suggested it should be down to Shippers rather than the system to make any correction to reads, through a replacement read, since they would understand the issue and the source of error. There was consensus support for this.

MD questioned if this meant that some confirmation or otherwise of reads was therefore expected. SM suggested the rule is simply that if an asset change is recorded, then the read should be replaced be replaced if necessary – the default would be that, in the absence of action to suggest otherwise, the reads are not to be changed and are

effectively confirmed as correct rather than a formal confirmation being required. If there is a problem, the market breaker would prevent any significant industry impacts and would be preferable to intervening and suppressing reads.

Scenario 3: all consumptions derived from reads and asset data following asset update are correct because they are estimated reads or the update does not affect consumptions e.g. meter location or serial number. It was agreed that the same approach as discussed under Scenario 2 should apply.

FC clarified that an issue may remain where Shipper and Xoserve asset data differs, but treating the read as correct seemed the appropriate principle. If the read needs changing, this will be a separate process.

There was some debate about how reads could be corrected following a change of Shipper, since the present Shipper cannot correct this. The starting point would need to be clear, and the backstop date may help.

Workflow Process Map presentations – Meter Reads and Data Replacement

DG explained amendments would be needed to the process flow documents in light of the discussion, which can be presented once amended.

Project Nexus Workgroup Retrospective Updates Scenarios

MD provided an overview of the scenarios discussed at the previous meeting.

BRD for Retrospective Updates (v0.5) review

MD advised that the yellow highlighting were the areas on which comment would be particularly welcome. Some changes would be needed following the discussion, and this would be presented and baselined at the next meeting.

5.2.3 AQ Issues

MD explained that an internal Xoserve workshops had raised seven queries for clarification by the Workgroup.

1. Assumption: the 'Spec Calc' will not be required for 'Rolling AQ' as this is currently used for AQ Appeals & Amendments. Is this correct?

BD felt the intention was to remove the need for change, and the Workgroup agreed that they could not envisage a reason for retaining the Spec Calc.

2. Assumption: only validated meter reads will be used for AQ calculation.

Issue for transition whereby 9 months of validated reads may not exist.

SM asked why reads could not be back loaded for the transition process – which only needed two reads to get the rolling AQ process up and running. SN thought this would work - if validation tests were passed. BD suggested that building a validation module early in the systems replacement process could support a transition process, and allow reads to be queuing, which was accepted. There was also consensus that the assumption should be that only validated reads should be used for AQ calculation.

SM advised that he is considering raising new modification to consider updating validation rules for the existing AQ process.

3. Concerns raised regarding the use of estimated reads for AQ calculation

This contradicts the Rolling AQ concept & the business drivers/goal for accurate AQs

For Products 1, 2 & 3: actual daily reads will be loaded for the majority of sites/days therefore is there a need to use estimated reads for AQ calc?

The Workgroup consensus was that further consideration is needed, but there could be circumstances where use of an estimate is appropriate and should be allowed for. It was agreed that this should be revisited at the next meeting.

New Action NEX 02/01: Shippers to provide reasons estimated reads are required.

4. Assumption: Requirements developed for rolling AQ assumes single metered Supply Points

SN indicated that aggregation could be handled if multi meter supply points existed, but BD said that aggregation could be at the Shipper end of the process rather than being handled by Xoserve, with the calculations all at meter point level. This was accepted

5. Proposal: BRD states (8.3) where an 'Optimum Read' is not available: Look for read upto 36 months old, where no read available look for a more recent read upto a minimum of 9 months).

In order to calculate an AQ based on more recent reads would it be better to look for a more recent read first?

This was agreed.

6. Possible Risk: An outgoing Shipper could submit reads upto transfer of ownership (D-1), which are incorrect and may affect the AQ for incoming Shipper.

This was recognised.

7. Option to calculate the AQ throughout the month, as opposed to a set day in the month.

May mean more than 1 AQ notification during the month e.g. where reads are replaced or more than 1 read submitted during the month

However, this would provide time to replace or submit a new read

This was agreed.

The Workgroup noted that Xoserve might return to future meetings with similar issues as they look at the areas in more detail internally.

5.2.4 Executive Summary

PN UNC Workgroup Executive Summary of Business Requirements review

SN invited comments, either verbally or in writing. The document shows the topics considered by the Workgroup and the interactions.

AM asked if Xoserve is able to identify a path back to the BRD, with appropriate cross-references back. SN recognised this could be of value, and agreed to consider this.

5.3 Transitional Arrangements

Not discussed.

5.4 Issues logs (external and Project Nexus)

Not discussed.

5.5 Alignment of IRR requirements

Not discussed.

5.6 New Issues

Not discussed.

6. Any Other Business

None raised.

7. Workgroup Process

7.1 Agree actions to be completed ahead of the next meeting

The following new actions were agreed:

8. Diary Planning

The following meetings are scheduled to take place:

Title	Date	Location
Project Nexus Workgroup	13/03/2012	NG Office, 31 Homer Road, Solihull B91 3LT.
Project Nexus Workgroup	03/04/2012	Teleconference.
Project Nexus Workgroup	08/05/2012	Teleconference.
Project Nexus Workgroup	06/06/2012	Teleconference.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX12/01	06/12/11	3.	To consider what industry cost vs benefit questions would be appropriate to put before Ofgem for inclusion within the consultation process.	All	Update to be provided in due course. Carried Forward
NEX12/02	06/12/11	3.	To liaise on organisation of an industry workshop to consider the financial (cost) assessments and process efficiency impacts that could then form the basis for developing the type of questions that would seek meaningful responses from Ofgem.	Joint Office (BF) & Ofgem (CC)	Update to be provided in due course. Carried Forward
NEX01/06	24/01/12	5.2.2	Retrospective Updates Outstanding Areas: Investigate meter exchange (asset and read) information requirements and provide illustrated examples based on the four scenarios.	Xoserve (FC/MD/DG)	Closed
NEX02/01	07/02/12	5.2.3	Issue 3 - Shippers to provide reasons estimated reads are required.	Shippers	Pending