

## Project Nexus Workgroup Minutes

Tuesday 13 March 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
Andrew Margan	(AMa)	British Gas
Andy Miller	(AM)	Xoserve
Brian Liddle	(BL)	Xoserve
Catherine Porter	(CP)	EDF Energy
Cesar Coelho	(CC)	Ofgem
Cher Harris*	(CH)	SSE Pipelines
Chris Warner	(CW)	National Grid Distribution
David Speake	(DS)	ESP Pipelines
Elaine Carr	(EC)	ScottishPower
Fiona Cottam	(FC)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Imtiaz Kayani	(IK)	E.ON UK
Jenny Rawlinson	(JR)	GTC
Lorna Lewin	(LL)	Shell Gas Direct
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Naomi Anderson	(NA)	EDF Energy
Sean McGoldrick	(SMc)	National Grid NTS
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

**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:** BF advised that this action is linked to ongoing PNAG discussions. GE added that as an attendee at the recent meeting, he believes that Xoserve are intending to provide Nexus cost information in the near future. He is of the opinion that costs (ROM style would suffice) are required before parties are required to make informed decisions around what (Impact Assessment) questions need to be asked. BF noted that any cost information would need to be 'balanced' between Xoserve costs and those needed to include the iGTs. Responding, MD noted that cost information is not required to start the discussions on the Impact Assessment (IA). FC also advised that a very high level figure had already been included within RIIO considerations, mainly for planning purposes.

BF went on to advise that consideration is being given towards setting up a Cost v's Benefits meeting in April. In light of discussions it was agreed to carry forward this action.

**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:** BF wondered whether, in light of the ongoing discussions now being undertaken within Nexus meetings, this action should / could now be closed.

**Closed**

**Action NEX02/01:** All Shippers with regard to Issue 3 – to provide reasons estimated reads are required.

**Update:** When asked, those present agreed to close the action.

**Closed**

**2. Modification Workgroups**

**2.1 0357 – Enhanced Supply Point Administration Process**

BF opened by explaining that this is the last of the 'original' set of four Project Nexus related UNC Modifications and the only one still awaiting withdrawal by the Proposer.

Moving on, BF provided a brief review of the draft Workgroup Report, which is now expected to be progressed under the Distribution Workgroup – the next meeting for which is scheduled to take place on 23/03/12 unless the modification is withdrawn by the proposer. BF suggested that as the modification is linked to various Nexus outputs, it is extremely difficult to recommend that it proceed to consultation. Furthermore, the UNC Panel are now reluctant to grant any more extensions to the reporting timetable. He asked that if anyone had any thoughts / comments / views on the draft WGR could they please provide them to him asap.

*Post meeting note: the modification was formally withdrawn (by the Proposer), on 14/03/12.*

**3. Workgroup Approach and Plan**

Topic Workgroup Timeline Tracking

Following a brief discussion it was agreed to amend the Retrospective Updates 'Proposed New Date' to read as 08/05/12. SMc pointed out that this date clashes with a Transporter meeting – BF advised that at this early stage we could easily change the Nexus meeting date as it is proposed as a teleconference meeting.

Project Nexus Workplan

MD provided a brief overview of the workplan. CC advised that the intention is to undertake a first Impact Assessment benefit v's cost analysis at the 03/04/12 meeting which would include initial high level scene setting discussions. FC added that in her view, any cost figures provided for the 03/04/12 meeting would be very high level. GE voiced his concern that various parties are waiting to have sight of these cost figures sooner, rather than later – a UNC Modification could be raised to force the issue. SMc felt that this would be an unrealistic approach as the lead time to prepare a Rough Order of Magnitude (ROM) for any new modification would outweigh the time taken to provide the cost information in the first place. TD pointed out that a cost figure is not required to justify the BRDs. Furthermore, he believes that the cost v's benefit analysis only needs to identify an incremental

cost difference figure between what the systems does now and any proposed changes – a view supported by CC.

#### Project Nexus Workgroup Outstanding Areas Log

Consideration deferred until the next meeting.

### **4. Issues and topics for discussion**

#### **4.1 High Level Workgroup Issues**

No issues raised.

#### **4.2 Further Consideration of Meter Reading Arrangements**

##### **4.2.1 iGT Agent Services**

###### PN UNC Workgroup iGT Services presentation

MD provided a brief overview of the presentation explaining that the process maps and BRD would be available in time for the next meeting on 03/04/12.

Looking at the iGT Services Plan on slide 5, BF suggested that a review of the total package at the 03/04/12 meeting would be beneficial.

MD handed over to AM to continue reviewing the presentation from slide 7 – CSEP Lifecycle onwards. Opening AM explained that the aim is to seek a common set of requirements for both iGT & GTs wherever possible. He suggested that any business rules would need to include consideration of CSEP terminations - i.e. encapsulate the whole CSEP lifecycle from birth to death. When asked, AM confirmed that the CSEP ID satisfies invoicing (transportation charging) requirements.

Whilst the requirement to create MPRNs in a timely manner exists, there remains a need to avoid spurious UKLink system data where possible. Asked about future AQ values, AM responded by advising that they would be provided by either the iGT or GT, as with the current process.

Looking at the 'Supply Point Lifecycle – Initial Registration' slide, AM indicated that whilst there are slight differences between the iGT and GT processes, he does not envisage any changes to the iGT ones. CW confirmed that the first confirmation for GT SSP (greenfield) sites also needed to include both a nomination and confirmation file, and not as suggested, simply a confirmation file.

EC enquired if the current iGT late meter fix process would change, to which DS responded suggesting that it expected that this would remain 'as-is', although it could always be changed at a later date by a Code modification.

Moving on to consider the 'Supply Point Lifecycle – Adhoc' slide, AM advised that there would not be separate iGT / GT AQ (calculation) processes as it is envisaged that there will be a single common process. In considering the process for updating transportation charges, AMa pointed out that currently the iGT gas and charging years are different and wondered if this would stay the same going forward. In responding, AM suggested that in essence it would, before moving on to suggest that how the system handles this going forward would be a crucial. Furthermore, he noted that it would also be important to maintain appropriate SPA, Invoicing and query

processes going forward – a few key business rules still need ‘teasing out’.

When asked, AM confirmed that Xoserve are looking to provide a single (AQ processes) service provision, as having a separate iGT AQ process would simply be too complicated to run on systems. Additionally, he feels that iGT & GT accession requirements would need further consideration in due course.

It was suggested that iGT modifications 038DG “Periodic Annual Quantity Calculation (Rolling AQ)” and 039DG “Use of a Single Gas Transporter Agency for the common services and systems and processes required by the iGT UNC” would possibly need tweaking to align with the latest developments. AM remained unconvinced as Nexus is currently focusing on identifying requirements.

Asked when would Query Type processes be ready, AM advised that it is unclear at this time as these would be developed as part of the single service process developments. DS added that he expected that the iGTs would be working closely with Xoserve to identify high level requirements before delving down into the detail.

CW enquired if the Nexus BRDs would be aligned with iGT requirements to help identify the contractual aspects of both the iGT and GT arenas. FC responded by pointing out that currently we have seven Nexus BRDs with an eighth iGT specific BRD proposed. CW was concerned that if iGT038 were implemented prior to the inclusion of CSEPs in the central supply point register, the modification might have to be ‘unimplemented’ shortly afterwards in order for CSEP transition to Sites & Meters. This assumed that the central supply point register was the first phase of Project Nexus before periodic AQ. FC suggested that the aspiration is to deliver overall industry wide (market) benefits and that minor upheavals during transition were inevitable.

Asked if implementation of iGT 038 was imminent, DS advised that the iGT panel view (decision expected at May meeting) suggests that the proposal would not be supported, as it is not deemed to be an efficient process to follow when aligned to the single service provision requirements.

Returning to examine slide 6, ‘Objectives for Today’s meeting’ CW agreed to a new action to provide a view around the various (iGT & GT) contractual provisions going forward.

**New Action NEX03/01: National Grid Distribution (CW) to provide a view around the various (iGT & GT) contractual provisions going forward.**

#### **4.2.2 Non Functional**

##### Business Principles for Non-Functional Requirements (v1.0) review

BF advised that this had been included on the agenda to highlight the fact that the business principles document is now ready to be base lined and published for comment. No comments forthcoming at the meeting.

#### **4.2.3 Xoserve Executive Summary Feedback**

##### PN UNC Workgroup Executive Summary of Business Requirements (draft v0.4) review

FC provided a brief overview of the document advising that to date one comment had been received relating to item 3.7 – AUGE (Allocation of Unidentified Gas Expert) (*Reconciliation BRD para 8.14*).

In its response, British Gas had requested utilising the wording from the Reconciliation BRD. Acknowledging the points raised, FC suggested that a subtle amending (based around the reconciliation BRD text) of the wording would be more appropriate than a full re-write.

Moving on to consider item 6.6 – iGT Meter Points (*Supply Point BRD para 8.2*), FC suggested that this is still a work in progress that would need ‘beefing up’ as it is currently a summary of the seven existing BRDs and would need elements of the eighth iGT BRD adding in due course.

When asked, parties agreed that the minimum AQ timeframe should be set as 9 months and not 6 months + 1 day as previously suggested.

FC enquired if parties felt that the BRD was ready to be baselined – BF pointed out that the proposed changes to the Retrospective Updates BRD would potentially impact on this document. FC agreed to a new action to consider what impact the proposed Retrospective Update BRD changes would have on the Executive Summary of Business Requirements document.

**New Action NEX03/02: Xoserve (FC) to consider what impact the proposed Retrospective Update BRD changes would have on the Executive Summary of Business Requirements document.**

#### 4.2.4 Retrospective Update

##### PN UNC Workgroup Retrospective Updates presentation

MD provided an overview of the presentation advising that the ‘to-be’ process maps had not been changed since the last meeting.

##### PN UNC Workgroup Retrospective Update Scenarios presentation

MD provided an overview of the presentation.

In considering the ‘Next Steps Proposal’ slide, parties undertook detailed discussions with AMa raising the following concern:

*“.....that the examples presented by Xoserve are detailed and complicated. In summary there are 3 swim lanes of behaviour, relating to Retrospective updates, centred around meter asset and read data.*

*The scenario is that the asset data is retro updated and Xoserve’s then required to validate shipper flows. Three high-level principles come into play – where, #1 impacts only asset data and #2 impact asset data, but reads valid, whilst #3 impacts asset and read data, reads invalid.*

1. *e.g. Location/Serial number – no impact to asset or read data – no change to reads.*
2. *e.g. Imperial Metric. Update asset data invalidates reads to calculate consumption and AQ calc, reads ok for re-calc.*
3. *e.g. # Dials changes – Impact on AQ calc and consumption, invalidates reads.”*

Responding to AMa concern, MD and FC agreed to review the current wording (amending where appropriate) contained within section 8 of the BRD with a view to including a matrix table that identifies the various scenarios and associated high level impacts.

Parties went on to debate the possible adoption of a 'shipper challenge window' to cater for where a previous shipper has not responded to a request for information - questioning whether or not financial changes would be applied anyway. Consideration was also given to where the previous shipper responds but disagrees with the current (incumbent) shipper's point of view. FC suggested that care would be needed to avoid developing an overly complex and expensive system solution – in essence it boils down to how parties perceive their respective benefits, and where consensus cannot be reached we would adopt the 'as-is' process. She went on to point out that currently approximately 6k (LSP) filter failures occur annually of which 90-95% are resolved and scaling this up for the whole market identifies a potentially significant area.

Moving on to consider the 'Scenario 2A: Actual Reads held are Incorrect – Shipper replaces reads' slide, GE remarked that the last two (financial adjustment) bullet points may be the 'sticky' ones for some parties, although he is happy with them. In considering what should happen if the reads are not replaced, AMa enquired as to what incentives were there on parties to correct errors. FC suggested that perhaps the monthly read submission mechanism could provide a form of incentive regime although it should be noted that it would not solve the read problem per se. It was agreed that from a system perspective, it would be best to do nothing if reads are not replaced.

**New Action NEX03/03: Xoserve (MD/FC) to review the wording (amending where appropriate) of section 8 of the Retrospective Updates BRD (v0.6) with a view to including a matrix table that identifies the various scenarios and associated impacts.**

#### BRD for Retrospective Updates (v0.6) review

MD provided a very brief review of the changes made to the document following the previous meeting. She went on to add that Xoserve now have a better understanding around what parties are looking for and would now update the BRD to reflect today's discussions including provision of a scenario impacts matrix table.

BF asked parties to consider if an additional Retrospective Update meeting would be required to review the amended BRD, or whether the subject could be 'tagged on' to the back of another meeting, or should the (final) BRD be issued to the Nexus email listing seeking responses / comments prior to formal base lining and publication on the Joint Office web site – parties favoured issuing via email to the Project Nexus contact list seeking responses before considering any comments received at the end of the 03/04/12 meeting.

#### **4.3 Transitional Arrangements**

Not discussed.

#### **4.4 New Issues**

Not discussed.

### **5. Any Other Business**

#### Project Nexus Workgroup – AQ Issues presentation

MD provided a brief overview of the presentation explaining that Xoserve are looking in more detail at the options for how only validated meter reads would be used for AQ calculations.

When asked, parties confirmed that in their view, the spec calc may not be required in a rolling AQ regime and agreed, that following closure of outstanding action item NEX02/01, estimated reads would not be used for AQ calculation was now a working assumption.

Closing, parties considered the new issues before agreeing to opt for a 52 week optimum period. When asked what would happen in future to the Modification 081 “AQ Review Process – publication of information“ AQ reports requirements, MD responded by advising that the AQ BRD currently identifies the key data items, although it is expected that these would be developed further over the course of time. FC noted that if any changes to the Mod 081 reports were proposed, these would need a Code modification.

## 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: National Grid Distribution (CW) to provide a view around the various (iGT & GT) contractual provisions going forward.**

**New Action NEX03/02: Xoserve (FC) to consider what impact the proposed Retrospective Update BRD changes would have on the Executive Summary of Business Requirements document.**

**New Action NEX03/03: Xoserve (MD/FC) to review the wording (amending where appropriate) of section 8 of the Retrospective Updates BRD (v0.6) with a view to including a matrix table that identifies the various scenarios and associated impacts.**

## 8. Diary Planning

Parties briefly discussed agenda items for the 03/04/12 meeting such as a presentation from Ofgem on roles & responsibilities, provisions of a rough overall cost indication from Xoserve.

The following meetings are scheduled to take place:

Title	Date	Location
Project Nexus Workgroup	03/04/2012	ENA or NG Office, 31 Homer Road, Solihull B91 3LT – tbc.
Project Nexus Workgroup	08/05/2012	Alternative date to be confirmed – t/con on 15/05/12 suggested.
Project Nexus Workgroup	06/06/2012	Teleconference.

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**Action Table**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
NEX12/01	06/12/11	3.	To consider what industry cost v's benefit questions would be appropriate to put before Ofgem for inclusion within the consultation process.	All	Update to be provided in due course. <b>Carried Forward</b>
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 provided. <b>Closed</b>
NEX02/01	07/02/12	5.2.3	Issue 3 – Shippers to provide reasons estimated reads are required.	Shippers	Update provided. <b>Closed</b>
NEX03/01	13/03/12	4.2.1	To provide a view around the various (iGT & GT) contractual provisions going forward.	National Grid Distribution (CW)	Update to be provided in due course.
NEX03/02	13/03/12	4.2.3	To consider what impact the proposed Retrospective Update BRD changes would have on the Executive Summary of Business Requirements document.	Xoserve (FC)	Update to be provided in due course.
NEX03/03	13/03/12	4.2.4	To review the wording (amending where appropriate) of section 8 of the Retrospective Updates BRD (v0.6) with a view to including a matrix table that identifies the various scenarios and associated impacts.	Xoserve (MD/FC)	Update to be provided in due course.