

Project Nexus Workgroup Minutes

Monday 18 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
Alison Jennings	(AJe)	Xoserve
Andy Miller	(AM)	Xoserve
Anne Jackson*	(AJa)	SSE
Chris Warner	(CW)	National Grid Distribution
Darren Lindsay	(DL)	E.ON UK
Ed Hunter	(EH)	RWE npower
Elaine Carr*	(EC)	ScottishPower
Gethyn Howard	(GH)	Inexus
Huw Comerford	(HC)	utilita
Jenny Rawlinson*	(JR)	GTC
Julie Varney	(JV)	National Grid NTS
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Mike Payley	(MP)	Xoserve
Peter Thompson	(PT)	Customer Representative
Steve Mullinganie*	(SM)	Gazprom
Sue Cropper	(SC)	British Gas
Tabish Khan	(TK)	British Gas

* *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 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).

Update: AM requested that the action be carried forward for possible consideration at the 10 April 2013 meeting.

Carried Forward

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/0432/180313>

2.2 0434 – Project Nexus – Retrospective Adjustment

(Report to Panel 20 June 2013) – Papers at:
<http://www.gasgovernance.co.uk/0434/180313>

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. F Cottam has also raised the matter at the DESC meeting;

ID17 – the issue remains open for monitoring;

ID29 – the issue remains open for monitoring;

ID30 – current provisions allow SSPs to cancel confirmations upto D-8, whilst LSPs cannot, due in part to differences in contractual arrangements for each (market) sector. Consensus is that it is not necessary to adopt a cancellation mechanism where Larger LSPs are concerned but agreed that SME sector could be included in the ability to cancel a Confirmation. It was agreed to apply a 732,000 kWh threshold trigger for the purposes of the BRDs and logical analysis. It was recognised that 21 Day switching in future may apply subtle pressure on the process. Concerns voiced around potential negative incumbent Shipper impacts. It was agreed to leave the item open to enable further consideration, and

ID31 – when asked, parties indicated a preference to retain the response file information as is.

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

Project Nexus iGT Agency Services update

MP provided an overview of the presentation.

In debating the finer details of the process flow diagram, parties acknowledged that these discussions would be better served during the forthcoming 0440 Workgroup meeting scheduled for Wednesday 27 March 2013. However, some issues such as the iGT seeing CSEP Creation as their responsibility (and thereby saving the GTs from acting as the ‘middleman’) and whether or not the GTs would be able to reject an iGT CSEP once notified were discussed. It was also acknowledged that creating the CSEP on the system assumes that all contracts are already signed and in place – where any discrepancies / issues exist, the GTs would engage with the iGTs to resolve – the ‘key’ being that information comes from a single party only i.e. the iGT. MP pointed out that whilst the iGTs are keen to retain their invoicing, Xoserve would be providing the necessary data.

In considering the recommended changes, MP highlighted the fact that bullet point 3 (“*Shipper should submit a Nomination.....to obtain iGT transportation rates*”) is different to the current process. Parties then debated whether or not to change ‘should’ to read as ‘may’ before agreeing that perhaps this should be resolved under the 0440 Workgroup discussion. When asked, AR confirmed that it is envisaged that information would flow through to Shipper systems via a registration style mechanism and that it is not expected that this would / could cause any potential date difference related issues.

In considering the issuing of a confirmation by Xoserve (notionally 30 days after the asset is installed) where a Shipper has not confirmed a new CSEP Supply Meter Point, concerns were raised around the potential for 3rd parties (iGTs) placing liabilities (either directly or indirectly) on a Shipper. However, it was noted that the iGTs are responsible for providing the confirmation, as it is their contract. Whilst it was suggested that there is a risk that gas could be flowing for a considerable length of time at these sites, it was acknowledged that this is little different to other types of site.

Moving on, a short debate around a proposed referral process and specifically the AQ Corrections reference being seen as an exception process (in this instance), rather than part of the monthly AQ review process. Discussion then focused on potential issues around the Market Sector flags and their association with Supplier Licence obligations – i.e. a non-domestic Supplier is unable to change the status to read as a domestic supply meter point. JR suggested that as far as the iGTs are concerned, as long as they could be provided with the evidence that sits behind any changes of this nature, there is no real issue – at this point, MD advised that there could possible issues relating to the referral flag process. SM also suggested that if the (new) Supplier does not switch the site correctly, there could be impacts upon other parties and therefore Change of Supplier aspects need further consideration – in short, he believes that he should flag the site in accordance with his contractual obligations and thereafter resolve any (confirmation / nomination) issues, by discussing it with the other parties involved. It was agreed that market sector code changes along with other aspects of the proposals would need further consideration within the 0440 Workgroup arena before updating the Project Nexus Workgroup.

PN UNC – Updates as Agreed at PN UNC on 05/03/13 re: Read Submission & Performance Targets update

MD advised that this updated presentation (as requested at the 05/03/13 meeting) is published for information purposes only.

During a brief debate, the following key points were agreed:

- in Product 1 the Performance Target should be amended to read as 97.5% and not 99%;
- in Product 4 the LSP Annual Meter Read Frequency (MFR) should be amended to read as 90% and not 95%;
- remove the { 25 } brackets from the submission deadline for Product 4;
- check read obligation relates to derived reads provisions only – BRD will be updated to reflect this fact;

- as far as the Smaller & Larger Annual MFRs for Product 4 are concerned, these are the exception to the otherwise agreed approach of not changing the current Code provisions, and
- liabilities would only apply to Product 1 going forwards.

Closing, MD advised that she would now update the figures in-line with discussions and transpose these into the respective BRD, which should then naturally flow through to the legal text drafting.

3.1.2 Project Plan

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

3.1.3 BRD Updates

MD provided a brief overview of the 'Updates on the BRDs' presentation explaining that the updated version of the iGT Agency Services BRD is subject to ongoing discussion and approval within the UNC 0440 / iGT039 Workgroup meeting.

3.1.4 Funding Arrangements

Consideration deferred.

3.1.5 Transitional Arrangements

Consideration deferred.

3.2 New Issues

None.

4. Workgroup Approach and Plan

Consideration deferred.

5. Any Other Business

DESC Update

BF advised that at this time he does not have any further information to provide except to say that the next meeting is scheduled to take place on Tuesday 19 March 2013 – an update would follow.

6. Workgroup Process

6.1 Agree actions to be completed ahead of the next meeting

No new actions were assigned.

7. Diary Planning

A brief discussion took place on whether a London venue could be found for the 10 & 23 April 2013 meetings¹ – it was noted that this is heavily dependant upon attendee numbers and it would be helpful if parties could provide a rough indication to the Joint Office in advance.

BF also advised that from 02 April onwards, all Joint Office meetings held in Solihull would be convened at Consort House, Princes Gate Buildings, 6 Homer Road, Solihull. B91 3QQ - Tel: 0121 288 2107.

For directions please utilise the following link:

<http://maps.google.com/maps/ms?ie=UTF8&hl=en&oe=UTF8&msa=0&msid=204025608697846105430.0004d835bee9dc6b1d1bc>

¹ Post meeting note: a suitably large London venue is unavailable for either date.

The following meetings are scheduled to take place during 2013:

Title	Date	Location
Project Nexus Workgroup (dedicated legal text review)	10/04/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull. B91 3QQ.
Project Nexus Workgroup (dedicated legal text review)	23/04/2013	Location to be confirmed.
Project Nexus Workgroup (inc. 0432 & 0434 Workgroups)	07/05/2013	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull. B91 3QQ.
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. Carried Forward