

Project Nexus Workgroup Minutes
Tuesday 22 January 2013
31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Lorna Dupont (Secretary)	(LD)	Joint Office of Gas Transporters
Alex Ross-Shaw*	(ARS)	Northern Gas Networks
Andy Miller	(AM)	Xoserve
Anne Jackson*	(AJa)	SSE
Brendan Murphy	(BM)	Waters Wye Associates
Chris Warner	(CW)	National Grid Distribution
Dave Corby*	(DC)	National Grid NTS
Ed Hunter	(EH)	npower
Elaine Carr*	(EC)	ScottishPower
Emma Lyndon	(EL)	Xoserve
Emma Smith	(ES)	Xoserve
Erika Melen*	(EM)	Scotia Gas Networks
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
Naomi Anderson*	(NA)	EDF Energy
Peter Thompson	(PT)	Customer Representative
Rob Cameron-Higgs*	(RCH)	Wales & West Utilities
Sandra Simpson	(SS)	Xoserve
Steve Mulinganie*	(SM)	Gazprom
Sue Cropper	(SC)	British Gas
Tim Davis*	(TD)	Joint Office
Tracey Barber	(TB)	Xoserve

* *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 NEX01/01: Log Review - In respect of ID2 - Xoserve (EL/ES/MD) to consider providing supporting information appertaining to the (domestic) data items and furthermore discussing the matter with the SPAA.

Update: In response to this action TB gave a presentation on Asset Data Validation, explaining the current validation process. MD confirmed that another group within Xoserve had been tasked to review this area and take forward at SPAA and MAMCOP. SM pointed that there may be a fiscal risk

relating to bill calculation. MD confirmed it will be kept on the Issues Log and that ES would provide updates to the PNUNC meetings. **Closed**

Action NEX01/02: Log Review - In respect of ID10 - Xoserve (EL/ES/MD) to provide worked up examples of the 'locked' and 'open' throughput options.

Update: MD confirmed that work was continuing and a presentation would be brought to the next meeting (05 February 2013).

Carried forward

Action NEX01/03: Log Review - In respect of ID14 - Xoserve (EL/ES/MD) to prepare some worked up examples based around a potential threshold trigger based approach.

Update: MD confirmed that work was continuing and a presentation would be brought to the next meeting (05 February 2013).

Carried forward

Action NEX01/04: Legal Text - Joint Office (BF) to formally request a 'target timescale' indication of when DESC would be able to provide a view on their three remaining models and whether or not the solution would be written into Code or included within an ancillary document.

Update: BF confirmed that an update would be provided following the next DESC meeting.

Carried forward

Action NEX01/05: Legal Text - Xoserve (AM) to provide an updated project plan for consideration at the next meeting.

Update: Provided to this meeting, see 3.1.1 below. **Closed**

2. Workgroups

The following Workgroup meetings took place:

2.1 0432 – Project Nexus – gas settlement reform

(Report to Panel 21 March 2013) – Minutes at:
<http://www.gasgovernance.co.uk/0432/220113>

2.2 0434 – Project Nexus – Retrospective Adjustment

(Report to Panel 21 March 2013) – Minutes at:
<http://www.gasgovernance.co.uk/0434/220113>

3. Issues and topics for discussion

3.1 High Level Workgroup Issues

3.1.1 Project Plan

A presentation and spreadsheet had been provided in response to Action NEX01/05.

The spreadsheet was reviewed and AM explained the information captured so far and the assumptions made to support the entries.

It was assumed that the information gathering for high-level requirements was now complete, and that non-functional requirements will now be assessed. AM observed that it would be helpful if Shippers would provide any further relevant information by the meeting on 05 March 2013.

Logical functional sequences will be assessed and finalised, with the intention of presenting at the April meeting, if not before.

Data cleansing is continuing. AM drew attention to the fact that whatever data was present at the end of 2014 would be migrated (in whatever state it was in).

A specific database will be built for iGT data, and it is anticipated that Shippers will have to provide some of the required data that is not held by iGTs; this might be done by adapting existing file formats. If any data remains incomplete existing default values may be used. A trial and UAT period has been provisionally identified, and the UK Link Committee will be consulted regarding file formats, etc.

The Modification 0432 timescales have been defined; further information is required from Shippers.

The Modification 0434 timescales are being assessed.

Further clarity is awaited from DESC regarding the appropriate algorithm. It is anticipated a modification will be required.

Transitional arrangements might be required to facilitate implementations and any 'cut over' periods.

iGT Agency Services –there had been a good response from both iGTs and Shippers to the consultation that had recently closed. A report was under compilation for submission to Ofgem. A meeting to progress iGT Modification 039 and UNC Modification 0440 was taking place on 31 January 2013.

Xoserve's work programme is continuing and updates on activities and arrangements will be brought to meetings as appropriate.

The Gemini programme had been added to this spreadsheet because it was felt to be important to anticipate and capture some of the changes (not material) to support Modification 0432. It was prudent to be mindful of the existing change programme/releases already in train, and monitor for any potential constraints.

Concluding his review AM confirmed that this Plan will be monitored and updated as work and events progressed.

AM explained why the application MS Project was not being used. SM reiterated his preference for use of MS Project at the outset, in order to better map dependencies and identify interactions. He would like to understand what was meant by 'framework changes'. AM explained that it is not yet known what some of the changes are going to look like, eg there was potential to change the Gas Day, but this has not yet been scoped or defined. These potential changes can only be anticipated and recognised that change might be required at some point. Wider changes can be monitored.

SM remained convinced that MS Project should be used to mitigate the risk of potential conflicts with other industry initiatives. The

current spreadsheet appears to be a list of tasks at present, and dependencies need to be clarified. AM believed that at this time, insufficient detailed information was available to benefit from a more structured vehicle. There was no objection to moving to MS Project at a later point once details were available.

AM drew attention to the fact that a great degree of industry engagement and provision of information /data will be required to support these arrangements.

Responding to a question from SM on iGT data, AM referred to the diagram in the BRD which illustrated how this should work. The requirements discussion will start in this Workgroup and UKLC will be engaged as necessary. AM explained the data required (still under identification and assessment) and potential routes.

SC raised Shipper concerns regarding implementation being made through a number of tranches. AM indicated this was being reviewed as part of the sequencing work; logical sequences and periods are anticipated where switch on/off can occur. AM gave some examples of how Xoserve will work with the industry to achieve the best order and method.

SM suggested adding in the DCC 'go live' date and AQ dates to the Project Plan, so that aspects can be considered for dependencies.

3.1.3 Legal Text Preparation Timeline

CW explained the background. The Legal Text Preparation Timeline had been produced to give an overview of critical dates, following meetings held with lawyers (internal and external). These could be incorporated within the Project Plan.

CW gave an overview of the position of each of the Modifications.

Modification 0428 - Currently text is being prepared as if this does not exist, but it can be accommodated if implemented.

Work is being done on transitional drafting for review.

An allocation modification may be raised following clarification from DESC regarding the algorithm and recommendations on adopting a suitable allocation methodology.

Modification 0440 is likely to be a major undertaking given its four components.

Sensible timescales have been proposed in order to concentrate on producing well-drafted text for release into the public domain for review. It is expected that the early versions will be reviewed from a commercial perspective, followed by appropriate reiterations as necessary. Bespoke legal workshops might then be arranged to which Shippers could bring their legal representative(s) if wished. All will be phased in with each modification's progress. SM pointed out that a Shipper's lawyers will need to be able to review the draft text in a timely manner and counselled as much advance warning as possible to avoid unnecessary delays. Supporting background information/commentary would be useful.

CW gave examples of UNC sections that had been internally redrafted so far, and commented that one of the benefits was likely

to be a simplification of the UNC. Any issues identified with the drafting will be brought to the group's attention for review.

A meeting to consider iGT Modification 039 and UNC Modification 0440 was taking place on Thursday 31 January 2013 (details and papers at: www.gasgovernance.co.uk/0440/310113). Any issues identified that may impact Modifications 0432 and/or 0434 will be brought to the attention of Project Nexus Workgroup.

CW will be happy to receive any questions/comments prior to the next meeting.

3.1.4 Issues Log

MD explained there were now 2 tabs on the Log to indicate Open and Closed (the Closed items will be added to updated BRDs).

A brief overview was provided on the outstanding Issues.

ID2 – Covered by the presentation made today by TB (see 1.2, above – Action NEX01/01).

ID9 – MD explained the issue. CW reported that he had discussed the option with his lawyers and it was considered that it would create a high degree of complexity, needing new Business Rules and much discussion, and he would not support it at this stage.

MD confirmed that Product 1 only holds the DM sites.

AM asked what the rule should be.

SM observed that the time taken to install DM read equipment was often quite significant; would the GTs do this in a timelier manner to meet any obligations? What happens to auto confirmation if the equipment is not in place? CW explained the remedy available to GTs where equipment is not able to be fitted; it is an issue now, for various reasons. SM thought other issues might arise regarding stranded equipment, and the requirement to fit extra equipment to comply.

CW indicated concern regarding any changes to BRD principles that may compromise Project Nexus in 2015. Could auto confirmation be done in Product 1 or vice versa? Should monitoring and identification of the scale/significance of any issues eg relating to threshold crossers, be being done? The auto confirmation issue may have to be shelved for the present, and mindfulness exercised in respect of other modifications coming through.

CW suggested the rule should be the 3 calculations approach and an obligation on a User to confirm Product 1, and monitor for non-compliance. AM sought to clarify that if DM was mandatory and if AQ drops below the threshold the site remains where it is until such time as the Shipper reconfirms to another Product; if the site was in Products 4,3 or 2 it can remain put indefinitely until such time as the Shipper takes action. This position was what Xoserve would build to.

ID10 – A presentation will be made at the next meeting (05 February 2013).

ID14 - MD explained the options and the application of ratchets, and drew attention to a potential issue relating to inaccurate SOQs (no

incentive on Shipper to keep correct). Following a brief discussion the Group felt that the ratchet regime should remain the same as in the BRD. PT suggested that it could be reviewed after 12 months or post implementation.

ID16 - MD intended to bring options to the next meeting (05 February 2013). The issue was explained in more detail; the same process was proposed for Products 1 and 2, and a simple process for Products 3 and 4.

ID17 – MD suggested, and the Group agreed, that this issue be taken to DESC for consideration.

ID18 – This would work like the BTU process; MD explained the option to avoid increasing/decreasing the AQ.

MD indicated that any issues arising from the Legal Text meetings will be added to this Log.

3.1.5 Funding Arrangements

Under consideration by Ofgem (JD).

3.1.6 Transitional Arrangements

Discussion deferred; may be more appropriate to be considered as part of the Project Plan.

3.2 New Issues

None.

4. Workgroup Approach and Plan

See 3.1.1, above.

5. Any Other Business

MD reported that the BRDs (to be sent to the JO) would be issued as draft for approval at the next meeting. The Executive Summary would also require base lining and approval at the next meeting.

6. Workgroup Process

6.1 Agree actions to be completed ahead of the next meeting

No new actions were assigned.

7. Diary Planning

It was agreed that the second February meeting should be held on Monday 18 February 2013, to take advantage of the availability of a London venue.

AM requested that arrangements for monthly meetings for the rest of 2013 (ie beyond May) be made and these could then be added into the Project Plan. It

was suggested that these should alternate between London and Solihull where possible.

The following meetings are scheduled to take place during 2013:

Title	Date	Location
Project Nexus Workgroup	05/02/2013	31 Homer Road, Solihull, West Midlands B91 3LT
Project Nexus Workgroup	18/02/2013	Energy UK, Charles House, 5-11 Regent Street, London SW1Y 5LR
Project Nexus Workgroup	March	Location to be confirmed - London
Project Nexus Workgroup	March	Location to be confirmed - Solihull
Project Nexus Workgroup	April	Location to be confirmed - London
Project Nexus Workgroup	April	Location to be confirmed - Solihull
Project Nexus Workgroup	May	Location to be confirmed - London
Project Nexus Workgroup	May	Location to be confirmed - Solihull
Project Nexus Workgroup	June	Location to be confirmed - London
Project Nexus Workgroup	June	Location to be confirmed - Solihull
Project Nexus Workgroup	July	Location to be confirmed - London
Project Nexus Workgroup	July	Location to be confirmed - Solihull
Project Nexus Workgroup	August	Location to be confirmed - London
Project Nexus Workgroup	August	Location to be confirmed - Solihull
Project Nexus Workgroup	September	Location to be confirmed - London
Project Nexus Workgroup	September	Location to be confirmed - Solihull
Project Nexus Workgroup	October	Location to be confirmed - London
Project Nexus Workgroup	October	Location to be confirmed - Solihull
Project Nexus Workgroup	November	Location to be confirmed - London
Project Nexus Workgroup	November	Location to be confirmed - Solihull
Project Nexus Workgroup	December	Location to be confirmed - London
Project Nexus Workgroup	December	Location to be confirmed - Solihull

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX01/01	08/01/13	3.1.4	In respect of ID2 - consider providing supporting information appertaining to the (domestic) data items and furthermore discussing the matter with the SPAA.	Xoserve (EL/ES/MD)	Closed
NEX01/02	08/01/13	3.1.4	In respect of ID10 - provide worked up examples of the 'locked' and 'open' throughput options.	Xoserve (EL/ES/MD)	Update to be provided to 05/02/13 meeting. Carried forward
NEX01/03	08/01/13	3.1.4	In respect of ID14 - prepare some worked up examples based around a potential threshold trigger based approach.	Xoserve (EL/ES/MD)	Update to be provided to 05/02/13 meeting. Carried forward
NEX01/04	08/01/13	3.1.5	To formally request a 'target timescale' indication of when DESC would be able to provide a view on their three remaining models and whether or not the solution would be written into Code or included within an ancillary document.	Joint Office (BF)	Update to be provided to 05/02/13 meeting. Carried forward
NEX01/05	08/01/13	3.1.5	To provide an updated project plan for consideration at the next meeting.	Xoserve (AM)	Closed