

Project Nexus Workgroup Minutes

Tuesday 24 January 2012

at 31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MiB)	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
Cesar Coelho	(CC)	Ofgem
Chris Warner	(CW)	National Grid Distribution
David Godwin	(DG)	Xoserve
David Speake	(DS)	ESP Pipelines
Edward Coleman	(EC)	E.ON UK
Elaine Carr	(EC1)	ScottishPower
Fiona Cottam	(FC)	Xoserve
Imtiaz Kayani	(IK)	E.ON UK
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Peter Thompson	(PT)	Customer Representative
Sean McGoldrick*	(SMc)	National Grid NTS
Steve Mulliganie	(SM)	Gazprom
Steve Nunnington	(SN)	Xoserve
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 NEX11/04:Ofgem (CC) to obtain an Ofgem view on how best to deliver an impact assessment and provide feedback at the December meeting.

Update: CC advised that Ofgem had recently had a meeting with Xoserve to discuss the matter in more detail. The next step is to consider development of the Impact Assessment (IA) requirements going forward at the forthcoming PNAG meeting scheduled to take place on 13/02/12.

Asked whether or not the recently proposed changes to the Xoserve industry position and role would be considered within the IA, CC believed that this would be the case, and would include aspects such as potential Nexus cost ramifications etc.

It was agreed that in light of the fact that this action relates to both outstanding actions NEX12/01 & 02 it could now be closed.

Closed

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: In light of the discussions undertaken on action NEX11/04 above, 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: In light of the discussions undertaken on action NEX11/04 above, it was agreed to carry forward this action.

Carried Forward

Action NEX01/01: All Shippers with regard to Updated Retro-Updates Scenarios – Scenario 1A: to consult internally on this flow through Xoserve's systems (Shipper A to Shipper B to Shipper A) and provide a view on whether such flows were required.

Update: Please refer to item 5.2.2 below.

Closed

Action NEX01/02: All Shippers with regard to Updated Retro-Updates Scenarios – Scenario 3A: to consult internally on this flow through Xoserve's systems (Shipper A to Shipper B to Shipper A) and provide a view on whether such flows were required.

Update: Please refer to item 5.2.2 below.

Closed

Action NEX01/03: Xoserve (MD) & Joint Office (BF) with regard to Retrospective Updates - Collate outstanding questions onto a slide for review/discussion and provide to Joint Office; JO to publish on web and invite comment.

Update: MD confirmed that this had been completed and subsequently published on the Joint Office web site.

Closed

Action NEX01/04: All Shippers with regard to BP for Non Functional Requirements 8.1.5 - to establish what data they want audited and what sort of tracking they want done to support an audit trail.

Update: Please refer to item 5.2.3 below.

Closed

Action NEX01/05: All Shippers with regard to BP for Non Functional Requirements: *8.9 Areas not yet considered* – to review these points internally in more detail and feedback views on inclusion/exclusion.

Update: Please refer to item 5.2.3 below.

Closed

2. Modification Workgroups

2.1 0380 – Periodic Annual Quantity calculation

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

2.2 0377 – Use of Daily Meter Reads

Withdrawn by the Proposer on 18/01/12.

2.3 0359S – Use of Market Sector Flag to determine Customer Status

Withdrawn by the Proposer on 23/01/12.

2.4 0357 – Enhanced Supply Point Administration Process

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

BF advised those present that both 0377 and 0359S had now been withdrawn by their respective proposers thereby leaving two outstanding (see above) modifications both of which are due to make their reports to Panel on 15 March 2012.

CW suggested that until further clarity surrounding Ofgem's anticipated Impact Assessment is forthcoming, any new UNC modifications would be in draft format only, although they would / could be worked up in tandem with ongoing Project Nexus work.

3. Workgroup Approach and Plan

Topic Workgroup Timeline Tracking

FC provided a brief overview of the tracking document suggesting that an additional Retrospective Update meeting would be required as part of the 07/02/12 meeting. She went on to add that the plan would also be considered at the 13/02/12 PNAG meeting and an update then provided at the 06/03/12 Project Nexus meeting.

BF suggested that should any items remain unresolved after the above meetings, a further meeting could be slotted in on or around the 20th.

Project Nexus Workplan

FC provided a brief overview of the workplan pointing out that the Non Functional topic had now been 'baselined' before questioning whether a further opportunity for wider industry comments on the Retrospective Updates would be required. After a brief discussion it was agreed that recent experience showed that this was not a worthwhile delay, especially when it is expected that Retrospective Updates would be baselined at the next (07/02/12) meeting.

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 opened the presentation by providing a brief outline of the proposed approach before handing over to AM to review the remainder of the presentation commencing with the iGT Agency Service Scope.

AM explained that the intention is to provide a single shipper interface, rather than seeking to align iGT and GT service provisions per se. However, he asked shippers to note that they may be required to undertake some (internal) system changes to accommodate amended file formats that would take into account the differences between iGT & GT processes (i.e. bulk confirmations etc.) – further analysis is needed before a ‘landing’ on the actual changes can be made. In response, SM clearly stated that he would not wish to be ‘saddled’ with additional costs accrued from trying to accommodate other various parties business models, Shippers want to see the same file for all transporters. BD suggested that a wholesale review of file formats be deemed necessary, early engagement would be beneficial to all concerned. DS also supported the undertaking of further debate on this matter.

When asked, AM confirmed that with regard to the ‘Supply Point Register’ element, iGT MPR’s would need to be migrated and held on the Supply Point Register, and thereafter the requirements developed to date via PN UNC could be applied to iGT MPR’s.

Moving on to consider the iGT Services Topics, parties briefly discussed the issue of ‘nested’ CSEPs with AM suggesting that once the basic CSEP requirements are known, understanding and dealing with nested and other CSEP types should be relatively easy. He then went on to add that as the iGT specific data is concerned, this is really an enabler to allow Xoserve to be in a position to manage both iGT & GT service provisions and that there appears to be at least two possible options on how best to engage with, and integrate iGT provisions in to, Project Nexus.

When asked, AM indicated that the review of the total package would provide a ‘sense check’ to ensure that the logic applied hangs together. He pointed out that migration would need to be considered in due course, however, it should be noted that at this time, nothing is set in stone and any thoughts, ideas on how best to progress matters would be welcomed.

PT wondered if this area provided an opportunity to resolve some or all of the previous Project Nexus concerns surrounding the CSEP issue. AM is of the view that whilst it may not address all of the concerns, it should certainly provide benefits. BF suggested that whilst there would always be a potential need for some form of CSEP provision in future, it should not affect Project Nexus provisions as baselined.

Looking at the ‘Proposed Plan’, AM was keen to point out that they were not seeking to change any iGT business models. CW believed that there are some fundamental questions (i.e. System integration and rolling AQ considerations etc.) that need to be answered before the bulk of the investigations get under way. SM had a different view and remained keen that any iGT modifications should not be allowed to delay delivery of the Project Nexus solution. In his view, product line (option) 4 addresses rolling AQ provisions / concerns.

AM suggested that the approach should be that whatever AQ process is in place at ‘cut over’ time, applies across all areas, both iGT and GT. If this subsequently changes, it is again applied across all areas. When asked, DS felt that the iGTs would be able to accommodate the four proposed Nexus product (options) lines without too many concerns – BD suggested that a guarantee from

the iGTs that they would at some point, adopt the four product (options) lines, would prove beneficial, whilst SM believed that it is all about Xoserve being able to receive data from both iGTs & GTs in a 'common' manner.

There was disagreement as to whether contractual issues and concerns, needed to be addressed through this Workgroup, with AM pointing out that iGT modification 0039 is already looking in to the matter. SM noted that the Uniform Network Code (UNC) is the 'dominant' document and all that iGT modification 0039 needs to do is point to the UNC.

Handing back, MD then provided a brief overview of the 'IRR Entries' explaining that these were provided as part of the initial Project Nexus consultation process. In considering possible business goals, SM advised that whilst having NO impact on his file formats would be his preferred option, he acknowledges that some changes may be necessary. As far as the business benefits are concerned, it was agreed that any cost benefits would be identified based upon previous assumptions. When asked whether Ofgem would support such an approach, CC responded by suggesting that the finer details around these matters (cost benefits and assumptions etc.), should be discussed at the forthcoming PNAG meeting. SN suggested that examination of these matters could / should take place towards the end of the process when all other Project Nexus elements have been delivered.

A brief debate relating to the proposed 07/02/12 and 06/03/12 meeting content followed culminating in agreement that these meetings should now be face-to-face, especially for consideration of iGT requirements and any follow up meetings to address unanswered questions or fill in any 'gaps' could be via teleconference arrangements.

5.2.2 Retrospective Updates

PN UNC Workgroup Retrospective Updates presentation

MD provided an overview of the presentation advising that the business issues had been raised from the IRR's which themselves were the product of the initial Project Nexus consultation process. She went on to point out that IRR 9.6 'Validation rules around read replacement to fit business requirements' remains unresolved.

In reviewing the 'Objectives for Today' slide, MD once again pointed out that responses to the previously baselined documents have only come from known participants.

Workflow Process Map presentations

DG provided an overview of the two process flow maps for managing retrospective data changes and read replacements, highlighting where appropriate the corresponding business rule definitions.

Looking specifically at the data change map, DG advised that as far as the gas transporter swim lane is concerned, the 1 month time lag and system default had now been removed. A brief debate around formal communication requirements between current and previous shippers took place ending with a consensus to leave outside the process for now – it was also noted that shippers would need to be aware of the risks associated with any potential breakdown in communications between them. SM felt that the role and scope of

commercial interactions between parties had been sufficiently recognised within the topic and believes the processes (as defined) limit any potential issues in this area.

When asked about the impact of erroneous transfers and whether the Project Nexus processes should cover the correction of these scenarios, FC believed that the issues surrounding these could be addressed through the proposed processes. EC believed that this also highlights potential Inter-Shipper 'netting off' issues. BD suggested that the proposed approach provides for a pseudo ISD provision anyway. However, SM is of the opinion that issues such as these are suitably 'covered' by the ability to appeal to the Authority on such matters. He is also concerned about 3rd parties being able to take advantage of data inaccuracies as a way of being granted access to update information within the system.

PT is of the view that the absence of a licence obligation on parties to report data errors / anomalies is an omission and the real issue boils down to ensuring that data is as accurate as possible and customers are billed fairly thereafter. AMa wondered if there was an argument for the Transporters undertaking a 'policing' role to which SM responded by suggesting that the current proposals ensure that the current registered system user is responsible for their own data – in his view this is the correct way to tackle the problem.

Summing up, FC suggested that no real solution had been put forward that provides suitable leverage for instances where the current shipper does not, will not, make data changes and where erroneous transfers are concerned (inc. the potential for dual registrations etc.), these are partially mitigated by the pseudo ISD provisions and energy balancing positions. MJ also suggested that consideration of a form of (SPA) registration facility to align reads could prove beneficial.

Moving on to examine the read replacement process flow map, MJ confirmed that this did go some way to alleviating his 'backing out' concerns. FC pointed out that the business rules have assumed that some form of a shipper agreed reads process would still be required going forward, although it should be noted that Project Nexus is NOT seeking facilitation and automation of the process itself.

CW also noted that governance of the shipper agreed reads process falls under the auspices of the SPAA. MJ advised that currently where a shipper gets the reads wrong, it takes the 'hit' on the AQ – a situation that is in part, self-governing. FC suggested that it may be prudent, when things become clearer, to raise the matter with the SPAA.

Project Nexus Workgroup Retrospective Updates Outstanding Areas presentation

MD provided an overview of the presentation.

A brief discussion took place around the outstanding areas with consensus that as far as item 1a is concerned it is the current shipper to whom an update is submitted.

For item 2a the view was a qualified no – SM observed that in limited administration related instances where there are NO commercial impacts involved, a previous shipper might be allowed to submit the update. It was acknowledged that there is a need to guard against

building an overly complex system solution, for what is, potentially a limited application. It was also felt that identification of a set of legitimate claim criteria (inc. collaborative evidence) could prove beneficial.

It was agreed that for item 3, both options are required.

It was agreed that the issue of validation would need to be reviewed including asset related anomalies with potentially some form of protection for reconciliation invoices being required in future – it was agreed to record this as a risk within the BRD.

Discussions then moved on to consider read validation aspects in more detail, especially the issue of backdated updates. A number of scenarios were discussed and these have been published on the Joint Office website at: <http://www.gasgovernance.co.uk/nexus/070212>.

PT suggested that in reality, the crux of the matter would boil down to the correct apportionment of energy.

In trying to resolve the issue of how Xoserve would know if a read was okay or not, DG wondered whether a facility to ‘flag’ a read as either being correct or in need of validation at the meter exchange point would / could prove beneficial. When asked about reads prior to the meter exchange point, MD confirmed that these are assumed to be correct. Whilst wishing to avoid inadvertently straying into the realms of creating a new filter failure process for the future, FC suggested that how we validate retrospective asset updates in future still needs due consideration.

Parties then briefly discussed the potential for issues associated with the first post meter exchange reading before recognising that in these instances ‘alarm bells’ should start ringing – in certain circumstances the potential difference between the read prior to, and the read immediately after, the meter exchange should help highlight that an exchange had taken place.

Four possible scenarios were discussed, as follows:

1. no validation on (asset) update;
2. validate all consumptions, and possibly reject the (asset) update;
3. as per 2 + notify shipper and still load the (asset) update, and
4. reload ALL reads – possibly a mandatory requirement

There appeared to be a general support for scenario 2, as this forces parties to investigate and do something to resolve the potential problem.

When asked about what would be done from an energy point of view, FC reminded parties that in essence there would be NO RbD in future, although there will still be an LDZ-wide Scaling Adjustment. SM is of the view that once the correct reads are input into the system, the AQ would sort itself out relatively quickly, so surely the real issue is to ensure that shippers manage the process accurately – in brief, a shipper should ensure that reads are correct when the meter is exchanged within their tenure.

Moving on to consider what to do when the post meter exchange read is / are not amended and consequently cause major consumption issues, SM suggested that applying the ‘market breaker’ test would be the most appropriate course of action under

these circumstances. Summing up, FC suggested that scenario 2 supported by validation against the 'market breaker' test only would provide sufficient safeguards. SM felt that providing the facility to provide 'packaged' information containing both asset and read update information, or even asset only information and subjecting either to the 'market breaker' test could prove beneficial – basically we need the functionality to submit either asset & read information or choose to just submit asset only information where reads are deemed to be accurate. DG suggested that we could adopt a 'flag' that indicated that an asset information change had taken place and updated read information would follow as one option. Xoserve (FC) agreed to undertake a new action to investigate meter exchange (asset & read) information requirements and to provide illustrated examples based on the four scenarios.

New Action NEX01/06: Xoserve (FC/MD/DG) to undertake a new action to investigate meter exchange (asset & read) information requirements and to provide illustrated examples based on the four scenarios.

BRD for Retrospective Updates (v0.4) review

MD and DG provided a very brief review of the changes made to the document following the previous meeting.

When asked, parties indicated a preference for reviewing the document in their own time, with a view to signing off the document, subject to the successful resolution of new action NEX01/06, at the 07/02/12 meeting.

5.2.3 Non Functional

PN UNC Workgroup Non Functional Topic presentation

MD provided a brief overview of the presentation.

Business Principles for Non-Functional Requirements (v0.2) review

MD provided a very brief review of the changes made to the document following the previous meeting and parties made the following specific observations:

- 3.3 – Change Drivers & Business Goals
 - no clear view on whether items identified in previous BRDs could / would be used;
 - it was suggested that some elements of section 8 could be perceived to be suitable drivers;
- 3.5 – Licence and Contract Impacts
 - none identified at this stage;
- 4.0 – Benefits (implied or otherwise)
 - SMIP is seen as a potential benefit, and
 - If anyone identifies any new items please let Xoserve know;
- 5.2 – Out of Scope
 - Xoserve will be discussing process change requirements in more detail with Ofgem in due course;
- 7.1.3 – no clear view on whether this is still required;

- 8.1.1 – IAD now known as DES;
- 8.2.4 – the four sub points are all subject to a suitable cost v's benefit analysis;
- 8.4.2 & 8.4.3 – both are subject to a suitable cost v's benefit analysis;
- 8.5.1 – add the term 'or' between ".....statute of limitations and back to line in the sand"..... as these are separate entities;
 - it was noted that the recent UNC Modification Panel meeting had discussed the fact that Ofgem are looking at 'back billing' requirements and their potential relationship to the statute of limitations;

After a brief discussion, parties agreed that the document could now be 'baselined' as version 1.0 and published on the Joint Office web site at: <http://www.gasgovernance.co.uk/nexus/brd>.

5.2.4 Executive Summary

PN UNC Workgroup Executive Summary of Business Requirements (draft v0.3) review

FC provided a brief overview of the document advising that so far this had only been the subject of an Xoserve internal review.

Whilst not proposing to go through a line-by-line review of the document at this meeting as several BRDs are still outstanding, FC did request that parties review the document in their own time and provide feedback to Xoserve on whether it accurately reflects the intention of the BRDs developed to date.

Asked if an MS Word version could be provided to enable parties to clearly mark up any areas of concern, or add suggestions direct to the document, FC agreed to provide a copy as requested.

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 discussed and assigned:

New Action NEX01/06: Xoserve (FC/MD/DG) to undertake a new action to investigate meter exchange (asset & read) information requirements and to provide illustrated examples based on the four scenarios.

8. Diary Planning

Parties briefly discussed how best to engage iGTs in the up and coming Project Nexus meetings with some believing that holding a meeting in the London area may incentivise iGT representation and engagement.

The following meetings are scheduled to take place:

Title	Date	Location
Project Nexus Workgroup	07/02/2012	Elexon, 350 Euston Road, London NW1 3AW (members preferring London to incentivise iGT participation).
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
NEX11/04	21/11/11	1.2	To obtain an Ofgem view on how best to deliver an impact assessment and provide feedback at the December meeting – <i>now linked to actions NEX12/01 and NEX12/02.</i>	Ofgem (CC)	Update provided. Closed
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. 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
NEX01/01	10/01/12	5.2.3	Updated Retro-Updates Scenarios – Scenario 1A:Shippers to consult internally on this flow through Xoserve's systems (Shipper A to Shipper B to Shipper A) and provide a view on whether such flows were required.	Shippers	Update provided. Closed
NEX01/02	10/01/12	5.2.3	Updated Retro-Updates Scenarios – Scenario 3A:Shippers to consult internally on this flow through Xoserve's systems (Shipper A to Shipper B to Shipper A) and provide a view on whether such flows were required.	Shippers	Update provided. Closed
NEX01/03	10/01/12	5.2.3	Retrospective Updates - Collate outstanding questions onto a slide for	Xoserve (MD) and Joint Office	Update provided.

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			review/discussion and provide to Joint Office; JO to publish on web and invite comment.	(BF)	Closed
NEX01/04	10/01/12	5.2.4	BP for Non Functional Requirements 8.1.5 - Shippers to establish what data they want audited and what sort of tracking they want done to support an audit trail.	Shippers	Update provided. Closed
NEX01/05	10/01/12	5.2.4	BP for Non Functional Requirements: 8.9 Areas <i>not yet considered</i> – Shippers to review these points internally in more detail and feedback views on inclusion/exclusion.	Shippers	Update provided. Closed
NEX01/06	24/01/12	5.2.2	Retrospective Updates Outstanding Areas: To undertake a new action to investigate meter exchange (asset & read) information requirements and to provide illustrated examples based on the four scenarios.	Xoserve (FC/MD/DG)	To be provided at next meeting.