

**Project Nexus Workgroup Minutes**  
**Monday 11 August 2014**  
**at 31 Homer Road, Solihull B91 3LT**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Mike Berrisford (Secretary)	(MiB)	Joint Office
Andrew Margan	(AMa)	British Gas
Andy Miller	(AM)	Xoserve
Angela Love	(AL)	ScottishPower
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Ed Hunter	(EH)	RWE npower
Elizabeth Furmedge	(EF)	SSE
Endre Merai	(EM)	RWE npower
Fiona Cottam	(FC)	Xoserve
Gareth Evans*	(GE)	Waters Wye Associates
Huw Comerford	(HC)	utilita
Ian Hollington	(IH)	Joint Office
James Hill	(JH)	EDF Energy
James Rigby	(JR)	RWE npower
Leigh Chapman	(LC)	first:utility
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Michelle Downes	(MD)	Xoserve
Mike Bagnall	(MB)	British Gas
Richard Franklin	(RF)	Opus Energy
Steve Mullinganie	(SM)	Gazprom
Sue Cropper	(SC)	British Gas

\* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/nexus/110814>

**1. Introduction and Status Review**

**1.1. Review of Minutes**

The minutes of the previous meeting were accepted.

**1.2. Review of Actions**

**NEX03/06:** Xoserve (FC/MD) to examine the proposed options (in the British Gas 'Further Analysis on Meter Reading Validation Tolerances proposed by Project Nexus' presentation) with an eye to providing an informed view on the preferred solution(s) so that the PNUNC could consider in due course.

**Update:** Please refer to the presentation under item 3. below. **Closed**

**NEX06/02:** Xoserve (AM) to provide an explanation, including any Network referral activities, for the confirmation of a supply point to Class 2.

**Update:** Please refer to the presentation under item 3. below. **Closed**

**NEX06/03:** Xoserve (AM) to provide a list of portfolio reports data items for information to Shippers.

**Update:** Please refer to the presentation under item 3. below. **Closed**

**NEX06/04:** Xoserve (MD) to provide a presentation on how SSP capacity aggregation is applied (inc. how the maximum AQ/SOQ aspects would work at a CSEP level).

**Update:** Similar to action NEX06/03, please refer to the presentation under item 3. below. **Closed**

**NEX07/02:** Xoserve (AM) to double check whether or not the ‘to-be’ flows would highlight previous CSEP data items alongside any new items, from a system build perspective.

**Update:** AM confirmed that the ‘to-be’ flows would highlight previous CSEP data items alongside any new items. **Closed**

**NEX07/03:** *With regards to Back Stop AQ* – It was agreed that option1 needed further clarification. Xoserve (AM) to circulate a revised version for review. Confirmation of views to be provided at the August meeting.

**Update:** Please refer to the presentation under item 3.2 below. **Closed**

### 1.3. Pre Modification Discussions (10mins/item)

#### Resolution timescales for SRVs and USRVs following Project Nexus Go Live Date

AM provided a brief overview behind the rationale for the (draft) modification explaining that it is seeking to give effect to matters agreed at previous Workgroup meetings and that the aim is to raise the formal modification in time for consideration at the September UNC Panel meeting (it is felt that submission to the September Panel meeting would allow sufficient time for the modification to complete its lifecycle prior to the Project Nexus go-live date).

During a brief discussion around the self-governance criteria, those in attendance acknowledged that as there are no perceived impacts upon the modification rules, or competition, self-governance status for the modification could/should be requested.

Whilst it was acknowledged that the Workgroup had previously agreed the arrangements, some parties were concerned that de-aggregation requirements created by UNC Modification 0428 ‘Single Meter Supply Points’ could create some issues. FC advised that as reconciliation was at meter point level, modification 0428 does not create any impacts.

CW advised that National Grid Distribution intends to formally raise the modification in due course.

#### Extending the DM Voluntary service to Project Nexus Go Live Date plus six months

AM provided a brief overview behind the rationale for the (draft) modification.

During a brief discussion around the self-governance criteria, the Workgroup recognised that due to some potential end consumer related impacts that self-governance status for the modification should not be requested.

CW again advised that National Grid Distribution intends to formally raise the modification in due course.

Closing, AM indicated that more modification can be expected to follow on under the same ‘to give effect to the solution’ approach. Again it is proposed that the draft modifications would be presented to the Workgroup for views before being formally raised.

## 2. Workgroups

### 2.1 0473/0473A – Project Nexus – Allocation of Unidentified Gas

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(Report due to Panel on 18 September 2014) – Papers at:

<http://www.gasgovernance.co.uk/0473>

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

#### **3.1 iGT Data Preparation – example Shipper Portfolio Data Items**

AM explained that whilst work is still ongoing it is hoped that this list gives readers a ‘feel’ for the nature of the items involved. The 1<sup>st</sup> portfolio is expected in January (more details to be provided in due course), although it is expected that the subsequent February/March reports would provide more value as the data preparation exercise would be further advanced.

Moving on, AM pointed out that it is not expected that all items would be provided in the first instance and that Shippers would need to discuss the matter with their respective iGTs. AL suggested that consideration of a more consolidated (iGT) approach may be needed and she would discuss the matter in more detail with CB offline.

#### **3.2 Project Nexus Workgroup – AQ Backstop Date**

MD provided an overview of the presentation during which SM questioned whether or not this actually answers the question from the previous meeting relating to option 1c.

During consideration of the ‘Background’ slide, MD agreed to double check the four statements relating to the current Backstop Date processes.

Moving on to consider the ‘Applying an AQ Backstop Date to AQs that have been Carried Forward’ slide, AL enquired as to who determines that the reads utilised have calculated an AQ that appears not to be reflective of the sites consumption, to which MD explained that this is undertaken by Xoserve and is something that is discussed within the AQ forum (please note that the supporting statistics analysis (Xoserve’s) is also published on the Xoserve web site). MD agreed to check which file (format) the AQ Backstop Date is issued in, when in the process and what information is included.

Attention then focused on the option (for those meter points where the AQ has been carried forward because the reads do not create an AQ that is reflective of the meter points consumption) to set to the proposed AQ Backstop Date to 01 April 2015 or September 2015. The issue with the backstop date of September is that it means it will be at least July 2016 before an AQ is calculated. The issues with the backstop date of April is that the rolling AQ process will use reads submitted between April and September (inclusive) that will not have been subject to the new read validation rules to be applied by the industry. The scale of the risk is unknown and cannot reasonably be estimated.

SM remained concerned that this appears to be a ‘flexing’ of previously agreed Project Nexus business rules. FC suggested that it is all about ‘balancing out’ the risks and the proposal is seeking to reduce the level of risk. Furthermore, Xoserve are seeking a consensus view. AM reminded everyone present that the proposed process would only apply in the exceptional circumstances where the calculated AQ has been withheld as it is not considered to be consistent with a sites consumption.

Some suggested that the apparent lack of industry transparency is the main worry and that perhaps utilising the data cleansing exercise may resolve some of the main concerns that people have. It was suggested that provision of the AQ Forum reports might assist Shippers to assess the potential impacts on their respective portfolios better.

Moving on again to consider the ‘Proposed Options for Supply Meter Points where an AQ was Calculated’ slide, FC clarified that the presentation is not looking to develop an option 1c solution, but is rather looking to add clarity around the 1b option.

The Workgroup consensus was that Option 2 is not viable.

During more detailed discussions, Xoserve agreed to a new action to look to provide a 'as-is' compared to the 'to-be' process flow examples including how backstop scenarios and dates would be impacted and any associated timelines (inc. assessment of potential volumes based on today's figures).

When asked whether or not it would be feasible to leave things alone and simply go straight to a rolling AQ regime in November, FC suggested that its about managing the potential risks of such a move. It was also recognised that a potential delay to the Project Nexus go-live date also poses a significant risk.

When asked, FC confirmed that WALLPS would be catered for and that a 4 year backstop date would be utilised for these.

One option put forward is to simply validate option b reads in April as if they were subject to the Project Nexus regime (i.e. April to Sept period), which may also be worth applying to all reads and not just the exceptions. In accepting the point had merit, FC still believes that this is really a migration related issue. Additionally, MD advised that in reality Xoserve could not accommodate the proposal, whilst SC also confirmed that BGT could not bring forward this implementation (Shippers are required to validate the reads before submission).

BF reminded everyone that regardless of whether agreement could be reached at this time, a transition related modification could be expected to be raised that would look in more detail at these issues.

**Action NEX08/01: Xoserve (MD) to double check the accuracy of the four statements relating to the current Backstop Date processes.**

**Action NEX08/02: Xoserve (MD) to check which file (format) the AQ Backstop Date is issued in, when in the process and what information is included.**

**Action NEX08/03: Xoserve (FC/MD) to look to provide a 'as-is' compared to the 'to-be' process flow examples including how backstop scenarios and dates would be impacted and any associated timelines (inc. assessment of potential volumes based on today's figures).**

### 3.3 CSEP Transportation Charges

During a brief review of the presentation MD pointed out that in essence this seeks to explain the current process that does not change for the UKLink Replacement, whilst simply answering the question posed by action NEX06/04.

In considering the fact that rates are applied to deemed/measured energy and nominated/derived SOQs, AL remarked that this also potentially has mixed usage related impacts.

### 3.4 Project Nexus Workgroup – Invoicing

Opening, MD explained that the presentation is focusing on the transitional perspectives. When asked, MD confirmed that as far as Meter Point reconciliation data is concerned, Shippers would receive this as they do now. During a brief discussion around legacy (file) formats, MD agreed to an action to confirm whether or not there are any other legacy formats parties would need to be aware of.

Moving on to consider the 'Changes to invoice documents' slide, MD confirmed that the charges for Unique Sites would be issued via the Commodity, Capacity and Amendment invoice issued in November for the October charges and that the ancillary invoice (for ad-hoc charges) is a new file format where scheduled/unscheduled charges such as User Pays would be managed.

In considering the ratchet charges, MD advised that the ratchet charges are currently issued on the Capacity invoice the month following the ratchet. Moving the ratchet charges to the commodity invoice means the ratchet charge will be issued in the

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second month after the ratchet. There are no changes to the Ratchet notification files issued to the Shipper.

AM advised that it is expected that a copy of the schedule for the 'to-be' invoicing processes would be provided at the 19 August UK Link Industry Engagement Forum (UKLIEF) meeting<sup>1</sup>.

**Action NEX08/04: Xoserve (MD) to confirm whether or not, there are any other invoicing legacy (file) formats parties would need to be aware of.**

### 3.5 Meter Read Validation

MD provided an overview of the presentation during which FC provided the rationale behind the statement(s) at the bottom of slides 4 & 5 which start "The figures in the following slides are indicative.....outcomes may differ in practice" and explained that the figures in the examples are based on existing tolerances.

In considering the 'Xoserve Recommendations' slide, MD pointed out that the recommendations are based on discussions with British Gas and interpretation of their analysis. SM suggested that the third bullet should be amended to also include Class 3 sites. FC pointed out that all the values are parameterised and governance of the table would be via the UNC.

In looking in more detail at the proposed changes to the values within the tolerance tables, attention focused on the 'Proposed Tolerances for Daily Reads (Classes 1, 2 & 3)' values with FC noting that the changes allow for zero values to go through validation. Discussions focused on whether or not a narrowing of the tolerance bands potentially increases the number of rejections and would the possible adoption of an 'inner' tolerance band based on the perceived 'tipping point'. SC also suggested that consideration of the 'tipping point' has looked to offset some parties previous concerns.

**Action NEX08/05: British Gas (SC) to rerun the modelling software utilising the newly proposed tolerance values and provide feedback on the results at the next meeting.**

**Action NEX08/06: Shippers to check proposed tolerance values on a sample of their respective Meter Points and provide a view on the values.**

**Action NEX08/07: Xoserve (MD) to investigate the potential systems impacts of possibly introducing another (inner) tolerance band (0 – 20,000kWh).**

### 3.6 Project Nexus Workgroup – MPRN Lifecycle

MD provided a brief overview of the presentation during which CW indicated that he would speak to Xoserve to ascertain a view on how nomination referrals (especially the SSP sectors) would be managed going forwards.

When considering bullet point one on the 'MPRN Status Update' slide, CS advised that she has been discussing a possible solution with Xoserve and would look to provide an update at the next meeting. AM confirmed that any 'dead' sites that exist in a Shipper's portfolio would be migrated over.

In discussing what can be expected to happen in instances where a site is (inadvertently) set to 'dead' (by a DN) in error and is then set back to 'live' post Project Nexus go-live date, it was confirmed that a site visit would/could be expected to take place (consistent with the current Shipper Unregistered Sites initiative). However, it was also noted that supporting evidence (inc. photographic evidence etc.) provided by the Shippers would also be required and that the matter is expected to be discussed in more detail under the 'Shipperless sites' (operational) Workgroup initiative.

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<sup>1</sup> Copies of the UKL meeting documents are available at: <http://www.gasgovernance.co.uk/uklief/190814>.

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**Action NEX08/08: Xoserve (MD) and National Grid Distribution (CW) to consider how nomination referrals (especially the SSP sectors) would/could be managed going forwards.**

### **3.7 Supply Point Class Change to Class 2**

MD provided a brief overview of the presentation during which the bulk of the discussions centred on the 'Transfer from Class 1 to Class 2 (no change in the Registered Shipper)' slide.

Whilst some concerns were voiced around what would happen with sites that fall below the DM mandatory threshold, it was noted that this had been discussed at length in previous Workgroup meetings. CW advised that whilst Transporters are happy to provide the service, they are less happy to provide it for sites that fail the DM mandatory threshold validation, as they have no obligation or requirement to do so. Transporters equipment installed on such sites would be used to support the EUC Band 9 analysis.

SM indicated that he is considering raising a (unbundling related) modification to address concerns around the Transporter service (inc. provision of equipment aspects) as Shippers are now able to acquire equipment that in some cases is on a par, or better than, the equivalent Transporter equipment – his main worry relates to Transporters having the potential to change his sites class.

MD pointed out that where there is a Class change from Class 1 a re-synch would need to be carried out by the DMSP to ensure any drift is captured. The DMSP will be advised of the transfer date in advance and can therefore plan for this. The main issue relates to where the Class change is via the Supply Point Amendments route, which becomes effective within 5 days.

### **3.8 Transition Business Rules for Project Nexus (v0.5, dated 04/08/2014)**

MD explained that there had been no new amendments other than those reconciliation related ones approved at the previous meeting.

No adverse comments were raised.

### **3.9 Nexus Requirements Clarification Log**

MD provided a brief update on the status of the outstanding items, advising that REQ18 is a new one.

As far as REQ 16 was concerned, seven Shippers have responded and confirmed that they have no issue with the proposed actions/resolutions and that two more responses are awaited.

Four responses related to REQ17 had been received all in support of the proposed action/resolution.

## **4. Any Other Business**

### **4.1 Unique Sites Workshop Date(s)**

MD advised that consideration within Xoserve is ongoing and that further information would be provided in due course.

### **4.2 File Format Publication Date(s)**

Some parties felt that this matter should be the subject of bi-lateral discussions elsewhere in the industry (as the documents are considered by some to be commercially specific documentation) and not within the scope of this Workgroup.

When asked, AM advised that he expected the (highest level) file format headings to be published later in the day (accompanied where appropriate by a low/medium/high impact assessment), subject to an internal Xoserve review approving their release.

It is expected that the (FF) documents would be published under the Project Nexus/UKLIEF/UKLC banners.

SC asked whether or not the SAP “idoc” format would also be published.

**Action NEX08/09: Xoserve (MD) to consider whether or not the SAP “idoc” files could/would be published alongside the file formats.**

**4.3 Timely Provision of Meeting Papers**

MJ requested that all parties endeavour to provide meeting papers/materials at least 5 business days prior to a meeting taking place.

**5. Diary Planning**

The following meetings are scheduled to take place during 2014:

Time/Date	Venue	Workgroup Programme
10:30 Tuesday 09 September	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	To be confirmed
10:30 Tuesday 07 October	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	To be confirmed
10:30 Tuesday 04 November	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	To be confirmed
10:30 Tuesday 09 December	National Grid Office, 31 Homer Road, Solihull. B91 3LT.	To be confirmed

**Action Table**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX03/06	19/03/14	3.1.6	To examine the proposed options (in the British Gas ‘Further Analysis on Meter Reading Validation Tolerances proposed by Project Nexus’ presentation) with an eye to providing an informed view on the preferred solution(s) so that the PNUNC could consider in due course.	Xoserve (FC/MD)	Update provided. <b>Closed</b>
NEX06/02	04/06/14	3.1.1	To provide an explanation, including any Network referral activities, for the confirmation of a supply point to Class 2.	Xoserve (AM)	Update provided. <b>Closed</b>
NEX06/03	18/06/14	3.2	To provide a list of portfolio reports data items for information to Shippers.	Xoserve (AM)	Update provided. <b>Closed</b>

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX06/04	18/06/14	4.1	To provide a presentation on how SSP capacity aggregation is applied (inc. how the maximum AQ/SOQ aspects would work at a CSEP level).	Xoserve (MD)	Update provided. <b>Closed</b>
NEX07/02	08/07/14	3.	To double check whether or not the 'to-be' flows would highlight previous CSEP data items alongside any new items, from a system build perspective.	Xoserve (AM)	Update provided. <b>Closed</b>
NEX07/03	22/07/14	3.	<i>Back Stop AQ.</i> It was agreed that option1 needed further clarification. AM to circulate a revised version for review. Confirmation of views to be provided at the August meeting.	Xoserve (Ami)	Update provided. <b>Closed</b>
NEX08/01	11/08/14	3.2	To double check the accuracy of the four statements relating to the current Backstop Date processes.	Xoserve (MD)	Update to be provided.
NEX08/02	11/08/14	3.2	To check which file (format) the AQ Backstop Date is issued in, when in the process and what information is included.	Xoserve (MD)	Update to be provided.
NEX08/03	11/08/14	3.2	To look to provide a 'as-is' compared to the 'to-be' process flow examples including how backstop scenarios and dates would be impacted and any associated timelines (inc. assessment of potential volumes based on today's figures).	Xoserve (FC/MD)	Update to be provided.
NEX08/04	11/08/14	3.4	To confirm whether or not, there are any other invoicing legacy (file) formats parties would need to be aware of.	Xoserve (MD)	Update to be provided.
NEX08/05	11/08/14	3.5	To rerun the modelling software utilising the newly proposed tolerance values and provide feedback on the results at the next meeting.	British Gas (SC)	Update to be provided.

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX08/06	11/08/14	3.5	To check proposed tolerance values on a sample of their respective Meter Points and provide a view on the values.	Shippers	Update to be provided.
NEX08/07	11/08/14	3.5	To investigate the potential systems impacts of possibly introducing another (inner) tolerance band (0 – 20,000kWh).	Xoserve (MD)	Update to be provided.
NEX08/08	11/08/14	3.6	To consider how nomination referrals (especially the SSP sectors) would/could be managed going forwards.	Xoserve (MD) & National Grid Distribution (CW)	Update to be provided.
NEX08/09	11/08/14	4.2	To consider whether or not the SAP “idoc” files could/would be published alongside the file formats.	Xoserve (MD)	Update to be provided.