

**Project Nexus**  
**Project Nexus Workgroup Minutes**  
**Tuesday 24 May 2011**

at the National Grid Office, 31 Homer Road, Solihull.

**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
Brian Durber	(BD)	E.ON UK
Chris Warner	(CW)	National Grid Distribution
Elaine Carr*	(EC)	ScottishPower
Fiona Cottam	(FC)	Xoserve
Gareth Evans	(GE)	Waters Wye Associates
Graham Wood	(GW)	British Gas
Joanna Ferguson	(JF)	Northern Gas Networks
Joel Martin	(JM)	Scotia Gas Networks
Johnny Amos	(JA)	Ofgem
Jonathan Wisdom	(JW)	RWE npower
Lorna Lewin	(LL)	Shell
Mark Jones	(MJ)	SSE
Michael Payley	(MP)	Xoserve
Michele Downes	(MD)	Xoserve
Phil Blakeman	(PB)	British Gas
Sean McGoldrick	(SMc)	National Grid NTS
Simon Trivella	(ST)	Wales & West Utilities
Steve Mullinganie	(SM)	Gazprom

\* *via teleconference link*

**1. Introduction**

BF welcomed all to the meeting, explaining how the new combined agenda (including a consolidated outstanding actions list review) and minutes would be taken forward. However, it was pointed out that each UNC modification allocated to the Nexus Workgroup would require a separate set of minutes to comply with the UNC modification rules.

**1.1 Review of Minutes**

The minutes of the previous meetings (Nexus, Settlement (both 19/04/11) & AMR Workgroups (04/05/11)) were accepted.

**1.2 Review of (consolidated) actions**

**Action NEX0042:** Waters Wye (GE) to provide a view on differentiation and customer types.

**Update:** Please see item 4.2 below.

**Closed**

**Action NEX0043:** All parties to provide a view on the elements to be considered under Supply Point Register for Project Nexus.

**Update:** Xoserve (FC) confirmed that no responses had been received to date and suggested 'holding over' the action.

**Carried Forward**

**Action NEX0044:** Joint Office (BF/MiB) to consider future Workplan and meeting schedule.

**Update:** BF advised that this had been completed.

**Closed**

**Action NEX0045:** All parties to consider the Universal Single Meter Point Supply Points issue and provide a view.

**Update:** ST informed parties that he intends to raise this matter at next months Distribution Workgroup meeting.

**Closed**

**Action AMR049:** Xoserve (MP) to revise the Draft To-Be Process maps to reflect the discussions and the adoption of the incoming shipper reading.

**Update:** BF advised that the document had been updated for review today.

**Closed**

**Action AMR053:** All parties to consider the style and content of the revised daily read table(s), as per AMR052, in time to present their views at the next meeting.

**Update:** BF suggested that as AMR052 is now closed and this action would be discussed today, the action could be closed.

**Closed**

**Action AMR054:** National Grid Distribution (CW) to consider drift information (extent & tolerance).

**Update:** CW advised that he is currently awaiting provision of information relating to how parties are going to manage (ported) information for the various types of AMR equipment to be fitted to meters. During discussions, it was agreed that this action should be assigned to ALL parties to consider.

Thereafter, it was agreed that a new action should also be raised to investigate the statistical information relating to identification of the route causes of derived / un-derived drift, and impact of failed reads (to understand the risk of associated to their errors) and establish an initial definition for what is meant by a 'derived reading'. Additionally, the business rules should be amended to include what to do with drift as currently this subject is 'parked' for consideration under the reconciliation area.

**Carried Forward**

**Action NEX0055:** All parties to consider if a response detailing read acceptance following GT 'logic checks' is required and whether or not this should apply across all 4 proposed processes.

**Update:** SM asked if this action could be 'held over' as his Business Analyst is currently considering the matter.

**Carried Forward**

**Action AMR056:** All parties to consider what items of data should be included in the information exchange list (passed from Shipper to the GT).

**Update:** Please refer to item 4.2 below.

**Closed**

**Action SET011:** Xoserve (FC/MD) to compare the AMR and Settlement Business Rules and align them where possible.

**Update:** FC pointed out that there are now effectively a single set of (combined) business rules.

**Closed**

**Action SET012:** All parties to review the outstanding issue log and provide feedback at the next meeting.

**Update:** FC advised that a revised list had been prepared for the meeting to be utilised going forward.

**Closed**

## **2. Workgroup Approach and Plan**

*Copies of the various presentation materials are available to view &/or download from the Joint Office of Gas Transporters web site at: <http://www.gasgovernance.co.uk/nexus/240511>.*

### **2.1 Project Nexus Workplan**

FC provided a brief overview of both the presentation and proposed approach advising that the yellow segments indicate where a two day block meeting is scheduled. She went on to suggest that it may be necessary to adopt a flexible approach to planning meetings and run up to four topics simultaneously in order to achieve the aims and delivery targets for the project as a whole. This will enable two-day meetings to be fully utilised.

BF reminded parties that each of the separate (allocated) UNC modifications has its own Workgroup Reporting date to the UNC Panel.

A new action was placed on all parties to consider the scheduling plan and provide feedback at the next meeting.

### **2.2 Topic Workgroup Timeline Tracking**

In providing an overview of the plan, FC suggested that it would be beneficial to keep a close eye on the end dates, as this remains the 'key' progress record.

## **3. Terms of Reference (issues and topics)**

No items to discuss.

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

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

#### PN UNC Workgroup (Settlement topic) presentation

MD provided a brief overview of the presentation advising that with regard to the ongoing review of the BRD, only highlighted changes would be considered at the meeting, before then focusing on the last four bullet points on the 'Objectives for Today's Meeting slide.

#### Project Nexus Workgroup Outstanding Areas Log

MD provided a brief update on outstanding items.

### **4.2 AMR and Settlement**

When asked, those present agreed that the proposed overview approach was an acceptable way forward.

#### Business Rules Document review

Focusing on paragraph 5.13, debate centred on whether or not a negative value would actually work in practice with FC reminding those present that at previous meetings (consideration of retrospective requirements) it was agreed that reads would be allowed at any time within D+5 with a solution for how to manage retrospective reads being developed in due course.

For some, an automated corrective reads process remains the aim whilst for others the adoption of a D-7 energy related option better aligns with their commercial requirements. FC noted that a D-7 and read replacements approach could support the shipper validation aspects. The options available seem to be either energy related / negative values / read replacement and other. FC pointed out that this would need to be considered within the read replacement and reconciliation (consumption adjustments) areas, but D-7 is a User's protection net. She went on to suggest adoption of a 'flag' that identifies any reads that are acceptable, even if outside the proposed tolerance levels. Concerns were voiced and discussed around how best to get back to the (index) readings once an issue has been identified. It was noted that this 'strays' into the retrospective reads arena. Considering the 'skeleton' retrospective updates rules, FC sees two possible options as potentially forming a viable solution, namely replacement of a batch of reads, or utilisation of a single replacement read 'bridged back' to the last known good reading possibly supported by an automated file transfer mechanism – either way an understanding of the potential D-7 impacts is needed. BD voiced his concern surrounding a possible 'gaming potential' based around the SAP window. Whilst acknowledging BD's concerns, GE remained worried about proposing a manual based user process as this potentially opens up the opportunity for parties to misuse the process by rolling over the error(s). FC reminded parties that this issue is all about User's protecting themselves against their own mistakes and those of the other User's as well.

In attempting to summarise what had been agreed with regard to 'Read Validations' the following items are noted:

- process should be automated where ever possible;
- read error resolution may require a manual (work around) process only for errors with a material impact;
- materiality aspects need consideration (commercial risks v's volumes);
- a 'balance' between the cost of an error and the cost to resolve it should drive identification and adoption of the most appropriate corrective actions;
- erroneous errors are not addressed via the utilisation of negative values and as a consequence retrospective readings should not invoke a negative value;
- documentation to support 3<sup>rd</sup> party discussions (inc. a decision tree process map) would be beneficial, and
- interaction of read replacement with incoming / outgoing shipper transfers would be considered under retrospective update discussions in due course.

Moving back to quickly review the Communication Content list in paragraph 5.12.1, MD enquired if parties are happy with the suggested changes.

FC wondered what is expected to happen with batch reads that conflict with previous 'locked in' actual reads (i.e. the same read for the same day, or a different read for the same day scenarios). In response, BD suggested that unless clearly marked as a replacement read the follow up (duplicate) read should be rejected. FC pointed out that users may wish to receive a notification of a potential issue relating to where a read changes. Furthermore, allocation processes would 'cover' any gaps in the read sequence. When asked, it was agreed that the rule should be that reads are only replaced where clearly marked as a replacement read.

Moving forward again to consider paragraphs 5.14, 5.15 & 5.16 changes it was agreed following discussions that these should be realigned to reflect the four new proposed processes (1 through to 4) with the actual percentage levels being identified at a later date. Looking more closely at 5.15.2, questions were asked around identification and setting of an appropriate deadline date with 40 (calendar) days being suggested. An action was placed on all parties to consider an appropriate read submission deadline (40 calendar days) for all sites where a daily read is not submitted daily (Process 3 & 4 sites).

SM indicated that he would prefer to see a contractual provision of a 'must reads' flag at the Change of Supplier. In the end, a new action was placed against Xoserve to double check what information is provided to shippers/suppliers in a change of supplier process.

At the end of the review, SMC questioned whether or not paragraph 5.19.1 still aligned with 5.12.1 now that additional changes are in flight.

Xoserve would now amend the BRD in-line with the discussions.

#### Draft Combined Settlement Processes presentation

MP provided a brief overview of the changes made to the process maps since the last meeting, as follows:

- slide 1 – no change;
- slide 2 – references to AMR removed and process map simplified towards the end of the process steps;
- slide 3 – references to AMR removed;
- slide 4, 5 & 6 – no changes;

In closing, parties requested that the Joint Office provide a \*.pdf rendition of these presentations at future meetings so that the zoom function can be utilised as currently the slides are extremely difficult to read, even on screen.

#### Project Nexus Workgroup – Reconciliation Meeting 1 presentation

When asked, it was agreed to defer consideration of the presentation until the 01 June 2011 meeting.

#### Market Differentiation Process Impacts presentation

GE provided a brief overview of the presentation indicating that the main driver is the settlement process. He then suggested that perhaps the best way forward would be to seek the views of those present and discuss in more detail at a later meeting. A new action was placed on all parties to review the list in time to provide suitable feedback at a later meeting.

### **4.3 Transitional Arrangements**

No items to discuss.

### **4.4 Issues logs (external and Project Nexus)**

No items to discuss.

### **4.5 Alignment of IRR requirements**

FC suggested that this should be reviewed at a future meeting now that more information on the SMART programme is becoming available – possibly at either the 01 or 20 & 21 June meetings.

### **4.6 New issues**

No items to discuss.

## 5. Modification Workgroups

### 5.1 0377 – Use of Daily Meter Reads

A copy of the minutes are available to view &/or download at the Joint Office web site at: <http://www.gasgovernance.co.uk/0377/240511>.

## 6. AOB

When asked, BF confirmed that new UNC modification 0380 “Periodic Annual Quantity calculation” had been allocated for consideration within the Project Nexus arena at the 19/05/11 Panel meeting and would now be considered during the course of the 20&21/06/2011 Workgroup meeting.

## 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 NEX0046: National Grid Distribution (CW) to investigate the statistical information relating to identification of the route causes of derived / un-derived drift, and impact of failed reads (to understand the risk of associated to their errors) and establish an initial definition for what is meant by a ‘derived reading’.**

**New Action NEX0047: All parties to consider the scheduling plan and provide feedback at the next meeting.**

**New Action NEX0048: All parties to consider an appropriate read submission deadline (40 calendar days) for all sites where a daily read is not submitted daily (Process 3 & 4 sites).**

**New Action NEX0049: Xoserve (FC/MD) to double check what information is provided to shippers/suppliers in a change of supplier process.**

**New Action NEX0050: All parties to review the Market Differentiation Process Impacts listing in time to provide suitable feedback at a later meeting.**

## 8. Diary Planning

The following meetings are scheduled to take place during June/July 2011:

Title	Date	Location
Project Nexus Workgroup	01/06/2011	NG Office, 31 Homer Road, Solihull.
Project Nexus Workgroup (inc. 0357, 0359, 0377 & 0380)	20 & 21/06/2011	Holiday Inn, 61 Homer Road, Solihull.
Project Nexus Workgroup	05/07/2011	ENA, 52 Horseferry Road, London
Project Nexus Workgroup (inc. 0357, 0359, 0377 & 0380)	18 & 19/07/2011	NG Office, 31 Homer Road, Solihull.

## Appendix 1

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX0042	29.04.11	2.0	To provide a view on differentiation and customer types (GE).	Waters Wye Associates (GE)	Update provided. <b>Closed</b>
NEX0043	29.04.11	3.1	Parties to provide a view on the elements to be considered under Supplier Switching for Project Nexus	All	Update to be provided in due course. <b>Carried Forward</b>
NEX0044	29.04.11	3.1	Consider future Workplan and meeting schedule.	Joint Office (BF/MB)	Update provided. <b>Closed</b>
NEX0045	29.04.11	7.1	Parties to consider the Universal Single Meter Point Supply Points issue and provide a view.	All	Update provided. <b>Closed</b>
AMR049	14.03.11	2.1.2	To revise the Draft To-Be Process maps to reflect the discussions and the adoption of the incoming shipper reading.	Xoserve (MP)	Update provided. <b>Closed</b>
AMR053	14.03.11	2.1.4	Parties to consider the style and content of the revised daily read table(s), as per AMR052, in time to present their views at the next meeting.	All	Update provided. <b>Closed</b>
AMR054	04.05.11	1.2	To consider drift information parameters (extent & tolerance).	All	Update to be provided in due course. <b>Carried Forward</b>
AMR055	04.05.11	2.1.2	Parties to consider if a response detailing read acceptance following GT 'logic checks' is required and whether or not this should apply across all 4 proposed processes.	All	Update to be provided in due course. <b>Carried Forward</b>
AMR056	04.05.11	2.1.2	Parties to consider what items of data should be	All	Update

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			included in the information exchange list (passed from Shipper to the GT).		provided. <b>Closed</b>
SET011	19/04/11	2.1	To compare the AMR and Settlement Business Rules and align them where possible.	Xoserve (FC/MD)	Update provided. <b>Closed</b>
SET012	19/04/11	2.2	Parties to review the outstanding issue log and provide feedback at the next meeting.	All	Update provided. <b>Closed</b>
NEX0046	24/05/11	1.2	To investigate the statistical information relating to identification of the route causes of derived / un-derived drift, and impact of failed reads (to understand the risk of associated to their errors) and establish an initial definition for what is meant by a 'derived reading'.	National Grid Distribution (CW)	Update to be provided.
NEX0047	24/05/11	2.1	To consider the scheduling plan and provide feedback at the next meeting.	All	Update to be provided.
NEX0048	24/05/11	4.2	To consider an appropriate read submission deadline (40 calendar days) for all sites where a daily read is not submitted daily (Process 3 & 4 sites).	All	Update to be provided.
NEX0049	24/05/11	4.2	To double check what information is provided to shippers/suppliers in a change of supplier process.	Xoserve (FC/MD)	Update to be provided.
NEX0050	24/05/11	4.2	To review the Market Differentiation Process Impacts listing in time to provide suitable feedback at a later meeting.	All	Update to be provided.