

Project Nexus Settlement Workgroup 4 Minutes

Tuesday 19 April 2011

31 Homer Road, Solihull, B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Helen Cuin (Secretary)	(HC)	Joint Office of Gas Transporters
Chris Warner	(CW)	National Grid NTS
Fiona Cottam	(FC)	Xoserve
Gareth Evans	(GE)	Waters Wye
Graham Wood	(GW)	British Gas
Joel Martin	(JM)	SGN & Transporters
Jonathan Wisdom	(JW)	RWE npower
Karen Kennedy	(KK)	Scottish Power
Lorna Lewin	(LL)	Shell
Mark Jones	(MJ)	SSE
Michael Payley	(MP)	Xoserve
Michele Downes	(MD)	Xoserve
Phil Blakeman	(PB)	British Gas
Sean McGoldrick	(SM)	National Grid NTS
Simon Trivella	(ST)	Wales & West Utilities
Tabish Khan	(TK)	Ofgem
Tom Young	(TY)	E.ON UK

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/190411>

1. Introduction

1.1. Review of minutes from previous meeting

The minutes of the previous meeting were approved.

1.2. Review of actions

SET006: Xoserve (FC/MD) to add a new item to the issues log to capture the concerns surrounding the allocation of LDZ Shrinkage.

Update: FC confirmed that two logs have been created - an external log created for discussion in other forums and outstanding issues log. **Complete**

SET007: Xoserve (FC/MD) to add a new item to the issues log to ensure consideration of the future CSEPs management and administration requirements in due course.

Update: FC confirmed that two logs have been created - an external log created for discussion in other forums and outstanding issues log. **Complete**

SET008: Xoserve (FC) to contact the National Grid Smart Metering Team to ascertain what their actual proposal is for the Local CV Energy based solution.

Update: FC explained that Stefan Leedham, EDF Energy had raised a question around volume versus reads following a presentation by National Grid at the Gas Forum, he also believed that customers may want to see energy values and that the CV may be made available to see on SMART meter screens. FC reported that she had spoken to Tony Nixon at National Grid, who confirmed that he mentioned the possibility of measuring CV locally and passing it to Smart meters 1 day in arrears for use on the IHD (in-Home Display). However receipt of volume/energy in place of reads was not being proposed. **Closed.**

SET009: Xoserve (FC/MD) to add a new issues log item to ensure consideration of whether or not, a negative (scaling) value should be allowed and under what circumstances would it be used and to provide examples of such an occurrence.

Update: FC confirmed complete. **Complete**

SET010: All parties to consider what is required to form the basis for both a new must read process and estimation and (day-ahead Gas) nominations methodology.

Update: The Workgroup discussed the item and agreed to consider this within the business rules. **Closed.**

2. Scope and Deliverables

2.1. Further Consideration of Settlement

MD provided the PN UNC Settlement Workgroup update.

GE challenged the statement on the unfair smearing mechanism; FC explained the smear charge within the RbD market and how it works, that it applies any unidentified gas to the SSP market only.

Xoserve provided a number of Settlement To-Be Process diagrams.

MD asked for an initial view of benefits. GE believed that the solution appears workable and questioned what Xoserve need to make progress. FC explained that they need to capture the benefits to drive out the need for the requirements, it was also recognised this would be required for a modifications relevant objectives.

GW asked about processing read volumes and potential constraints on the number that can be processed particularly through the use of batching.

FC provided a presentation on the Allocation Scaling Adjustment and the potential for negative values. She explained the Weather Correction Factor to illustrate how it works and that it does not just take into account weather. She explained the effect of unidentified gas, theft, missing sites, erroneous isolations a large over-read or under-read on an LDZ site.

Xoserve examined the options for treating negative scaling such as the suppression for values below zero. The Workgroup agreed that WCF negative results need to be taken into account for the business rules and legal drafting.

The amended Interim Settlement Business Rules Document was considered.

MD provided an update to the amendments made. It was accepted that further amendments would be required to sections 6 and 8. The benefits were considered and KK asked if improved accuracy would be a benefit which may lead to more accurate invoices and more reflective of consumption. JW believed most of the benefits would be obtained from the reconciliation side of the process.

GE felt that all the Project Nexus requirements should be identified first to help understand the extent of the benefits.

FC was keen to understand the requirements, what information would be required, what the estimated take up would be and impact assessments.

The Workgroup considered the number of options that could be developed and whether these would be included within one modification.

GE believed that duplication was occurring throughout the Project Nexus Workgroups and hoped that Workgroups could be considered collectively rather than individually to draw out possible solutions, benefits and disadvantages. GE expressed that shippers will not want to be restricted by the options available due to the commercial stance taken by the Transporter.

ST expressed concern about building systems that may only be required by a single party, which may not be utilised by the industry. ST believed that systems should not be built simply because parties are prepared to pay for a service, he believed changes need to demonstrate a benefit particularly against the relevant objectives and for consumers.

Action SET011: Xoserve to compare the AMR and Settlement Business Rules and align the rules where possible.

TY enquired about the Gas nominations rules. It was agreed that nomination rules may need to be considered in more detail, however this should follow settlement and reconciliation.

2.2. Issues Log Update

Xoserve provided an external and outstanding issue log. MD asked for feedback on the outstanding issues log.

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

2.3. Alignment of IRR requirements

Item deferred

2.4. Transitional Arrangements

Item deferred

3. Progress Tracker (workplan)

3.1. Review of progress to date

Item deferred.

4. Workgroup Report

Item deferred

5. Workgroup Process

Item deferred

6. AOB

None.

7. Next Steps: Diary Planning

Planned meetings are available at: <http://www.gasgovernance.co.uk/Diary>. Unless otherwise stated, all meetings are due to be held at 31 Homer Road, Solihull.

The following meetings are scheduled to take place during May 2011:

Title	Date	Location
AMR20, 21 & Workgroup 0357	04/05/11	31 Homer Road, Solihull.
SET5	11/05/11	To be cancelled.
Workgroup, AMR22, Settlement & Workgroup 0357	23/05/11 & 24/05/11	31 Homer Road, Solihull.

Appendix 1

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
SET006	23.03.11	2.1.2	Add a new item to the issues log to capture the concerns surrounding the allocation of LDZ Shrinkage.	Xoserve (FC/MD)	Complete
SET007	23.03.11	2.1.3	Add a new item to the issues log to ensure consideration of the future CSEPs management and administration requirements in due course.	Xoserve (FC/MD)	Complete
SET008	23.03.11	2.1.3	Contact the National Grid Smart Metering Team to ascertain what their actual proposal is for the Local CV Energy based solution.	Xoserve (FC)	Closed
SET009	23.03.11	2.1.3	Add a new issues log item to ensure consideration of whether or not, a negative (scaling) value should be allowed and under what circumstances would it be used and to provide examples of such an occurrence.	Xoserve (FC/MD)	Complete
SET010	23.03.11	2.1.3	Consider what is required to form the basis for both a new must read process and estimation and nominations methodology.	All	Closed.
SET011	19.04.11	2.1	Xoserve to compare the AMR and Settlement Business Rules and align the rules and align them where possible.	Xoserve (FC/MD)	Pending
SET012	19.04.11	2.2	All parties to review the outstanding issue log and provide feedback at the next meeting.	All	Pending