

UNC Project Nexus Workgroup Minutes

Tuesday 12 January 2016

31 Homer Road, Solihull B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Angela Love*	(AL)	Scottish Power
Blanka Caen	(BC)	British Gas
Carl Whitehouse	(CWh)	First Utility
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
David Addison	(DA)	Xoserve
Debbie Mulinganie*	(DM)	BP
Ed Hunter	(EH)	RWE npower
Emma Lyndon	(EL)	Xoserve
Gareth Evans	(GE)	WatersWye
Huw Comerford	(HCo)	Utilita
Jamie Simpson*	(JS)	RWE npower
Jon Dixon*	(JD)	Ofgem
Lorna Lewin*	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Mike Fensome	(MF)	RWE npower
Rachel Duke	(RD)	EDF Energy
Steve Mulinganie	(SM)	Gazprom
Sue Cropper	(SC)	British Gas

*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/nexus/120116>

1. Introduction and Status Review

1.1. Approval of Minutes (08 December 2015)

The minutes of the previous meeting were approved.

1.2. Actions

1201: Volumetrics – Xoserve to review assumptions along with key input transactions and provide a view of the system volumes available for Project Nexus.

Update: See item 4.0. **Closed.**

1202: Volumetrics - Xoserve to consider the peaks within the DECC roll out curve and demonstrate in real terms what this may look like across the month.

Update: See item 4.0. **Closed.**

1203: Volumetrics - Xoserve to compare the baseline position and what timescales would be required to advance this.

Update: See item 4.0. **Closed.**

1204: BRD – Xoserve to clarify the arrangements for the estimated transfer read and retrospective updates.

Update: See item 2.0. **Closed.**

1.3. Pre-Modification discussions

None.

2. Delivery of Modification 0434 Requirements and 0529 Transitional arrangements

MD confirmed that the Project Nexus Steering Group had recommended a delivery deferral for the RAASP (Retrospective Adjustments for Assets & Supply Points) functionality to a future date, therefore the RAASP central system development will cease and the focus will be on Core system delivery for 01 October 2016. AL believed from PNSG discussions that the Project Nexus Steering Group had been asked to look at how best to deliver the non-core functionality requirements of Modification 0434 with a view to raising a modification. Deferring the services is only one option and this is not preferred by the Shippers at the PNSG.

A revised plan is to be considered by the Project Nexus Workgroup which is likely to lead to the development of a modification. It was anticipated by Xoserve that one of the aims might be to defer services that may not be possible to support until Retrospective Updates can be fully implemented. For the enduring RAASP system solution there was an aspiration for a provisional plan to be considered by the Project Nexus Steering Group by the end of March 2016.

The Project Nexus Workgroup had been asked to consider how best to deliver the requirements of Modification 0434 and transitional Modification 0529 in light of the issues with central system delivery highlighted above.

MD outlined the key proposals for Modification 0434 requirements and a gap analysis of what is in core delivery and would be delivered. Some of the processes and rules were discussed, there was an expectation that some asset updates could be made before the change of supplier transfer read is input, however this was a small window of opportunity.

SM wanted to understand what changes would be required to the BRDs to understand what will/won't be delivered in SAP and what technical solutions will be offered that they are neutral too. He explained that Shippers systems are being built inline with the BRDs, so assessments need to be made on the impacts to their systems in addition to central systems.

MD confirmed at this point Xoserve are not able to define the exact changes being considered, however Xoserve will provide the options on delivery requirements at the February meeting.

GE believed there would be three options, Option 1 would be to amend delivery at no cost or impact to Shippers, Option 2 would be to simply delay delivery and Option 3 would be to drop RAASP altogether. GE confirmed that Shippers preferred Option 1, where Xoserve will amend the delivery of systems or processes, as they are not suggesting it cannot be done simply that it needs to be re-assessed how Retrospective Updates can be managed without central systems.

If Xoserve can provide reassurance that only background changes will be made and the delivery of the services in the BRD will not change, Shippers can still build to the BRD, but Shippers need to know what the uncertainties are. BC believed the intention was to build the retrospective elements into SAP, however Shippers will not be particularly bothered what platform is used as long as flows can still be made to the interface.

CW suggested the Workgroup should focus on what is core and not get distracted by non-core activities. However, SM expressed what Transporters consider to be core may be different to Shippers. He believed that the BRDs are the core and Shippers expect delivery to the BRDs. SM highlighted that changes could have unintended consequences on Shippers ability to produce accurate bills. He suggested if certain elements are stripped out of the current BRDs, Shippers would want to raise a modification to bring these elements back in as these are required to effectively manage their portfolios.

GE suggested the view expressed was that delivery can be made, nothing would be disappearing, and that the central system or enduring design is simply delayed. It was recognised some elements may need manual intervention/support for the short term which may have impacts of performance. AL was concerned that manual workarounds were becoming a reality and that she had raised this concern at the Performance Assurance Workgroup – it is

ScottishPowers intention to raise a modification to bring Xoserve into the scope of the Performance Assurance Framework in such circumstances.

SM expressed that Shippers need indications of options as soon as possible from Xoserve. It was anticipated an additional meeting would be arranged to assess the impacts to the BRDs.

Xoserve agreed to identify within each BRD what will and won't be delivered for RAASP so Shippers can easily identify the exact impacts.

Action 0101: RAASP delivery deferral - Xoserve to provide clarification on what the impacts are to the current BRDs.

MD agreed to provide an update of the potential impacts by 26 January and it was agreed to hold a meeting on Friday 29 January to review the impacts. This would be a face to face meeting however if the extent of the impacts is minimal it was agreed the meeting would be changed to a teleconference at short notice.

MD explained to assist Xoserve with the impact assessment they would need a view on the number of retrospective updates, per month likely to be generated by Shippers. This would allow Xoserve to consider if manual workarounds can be developed and managed in the short term. It was requested that Shippers provide a view on volumes to allow Xoserve to appropriately assess possible solutions and if there would be any volume considerations.

CB explained that Shippers may not currently record the number of "fudges" being made to force necessary asset changes as parties would have developed their own ways of managing the problems as they stand. SM expressed concern about providing potential volumes and Xoserve limiting solutions based on anticipated Shipper utilisation. AL thought volumes were a red herring, as what is more important is that the solution Xoserve developed was scalable and efficient. SM suggested Shippers would not truly know the volumes as history may not be a proxy for going forward. In addition the roll out of Smart Metering is likely to increase volumes beyond current levels.

DA asked if Shippers have a systemised process that Xoserve could look at i.e. what system workarounds are used, to enable Xoserve to interrogate asset changes. DA asked if there would be any value looking at asset changes D+1, immediately after a transfer read. DA agreed to interrogate Xoserve systems to try and understand likely retrospective update volumes.

It was suggested that at some point a debate needs to be held on the funding arrangements. SM suggested that the Shippers view would be that the UNC delivers the requirements, if delayed delivery creates additional costs these should be borne by the Transporters. It was queried what liabilities would be payable to Xoserve, given that Xoserve's service providers were unable to deliver RAASP in time. However the Workgroup considered if a modification was required to implement changes the costs of the industry changes would need to be considered separately.

Action 0102: RAASP delivery deferral - Workgroup to consider the potential costs impacts.

DA explained the PNSG have with the support of PwC undertaken an exercise to assess volumetric assumptions and that 10% of exchanges would result in a retrospective update. However, two parties have challenged this assumption. He explained that PwC are considering the assertions to better understand the numbers. SM asked if Xoserve intend to provide the methodology used for the 10% assumption, and if this is based on the number of failures. He suggested that the 10% may be low if this is based on what Xoserve were seeing as Shippers would be making fixes which were appeared to be valid updates to Xoserve and therefore not easily identifiable as a retrospective update. He suggested the 10% may be the lower limit and may be the best-case figure not the worse case scenario. MD explained that to support the assumptions CMS was interrogated for domestic customer queries. Xoserve agreed to look at the volume assumptions.

Action 0103: RAASP delivery deferral - Xoserve to provide the methodologies used for volume assumptions.

3. Workgroups

3.1. 0531 – Provision and Development of Industry Testing Prior to Nexus Go-live

(Report to Panel 18 February 2016)

www.gasgovernance.co.uk/0531

4. Volumetric Update

DA confirmed the PwC exercise had now concluded, and Xoserve have requested that PwC clarify all feedback. Of the 24 responses, 16 had read, understood and accepted the assumptions, however 8 parties had requested further clarifications.

DA believed there was two main themes/elements to the clarifications sought, relating to the first monthly read in Class 4 and secondly retrospective updates suggesting these are potentially understated.

He explained the feedback from the exercise has provided Xoserve some reassurance. He acknowledged some elements may be too onerous for example Class 3 changes and anticipating the use of monthly submissions rather than through-out the month, nevertheless the assumptions have been ratified

DA provided the Volumetric Presentation and supporting spreadsheet. He explained that the Smart roll-out figures have been based on figures provided from the DECC roll out curve.

The Workgroup considered the assumptions and reviewed the supporting spreadsheet. DA confirmed the percentage take up assumptions for each Product Class and how the spreadsheet works in estimating file submissions.

BC asked about read submissions and Xoserve's processing of files. MD explained Shippers will be able to submit reads without restrictions and these will be stored for processing. DA explained the potential meter read submission by Class and the likely daily volumes. Peak days and average days were considered. BC asked if the system could manage the submission of 30 million reads every day for 30 consecutive days. DA explained if Shippers went to a weekly profile the system could manage the submission of 30 million on a daily basis.

BC enquired how many reads could be managed day in day out. DA explained that the system is being built to manage 30 million reads on the majority of days. He was not sure if the 30 million read submission would be constrained at any given point. CB highlighted in order to rationalise the Rolling AQ calculation, there may be peaks within a month and each Shipper may have a behaviour profile based on their billing processes.

CB believed Xoserve had not factored if Shippers portfolio having a larger take up of smart meters ie. what if this was 75%, would there be headroom in the design of the systems. DA confirmed that they were confident that there was sufficient headroom based on the Smart Roll out assumptions provided by DECC.

DA explained systems are being built to a scale, however there will be point in time when Xoserve will have a better understanding of how shippers will be managing their systems/submissions when live interactions are taking place and this may mean that there needs to be an upscale for system capability. He explained that there is headroom capacity that can be utilised. Xoserve will be able to monitor behaviours and trends and where systems capacity looks lie it may be exceeded at some point in the future, capacity would be reviewed.

SP suggested the utilisation figures should be monitored on a regular basis to track any increased utilisation or possible stepped changes that may require additional funding for development. However, base on the figures presented for the near future the system appeared capable of managing Shipper activities with some additional headroom. The Workgroup did consider that other options may be considered to stagger submissions to avoid peak day rather than investing further money to increase the capacity build.

BC asked if system capacity for Day 1 would be a similar volume. DA confirmed it would be and that he did not anticipate any volume issues should Shippers provide a backlog of reads for the weeks prior to go-live.

5. Business Requirement Documents (BRD) _ Retro Updates

MD confirmed that all the outputs from the RAASP workshops have been presented and it is intended that the information will be added to the BRDs as an appendix.

6. Requirements Log

MD provided an update to the requirement's log.

MD explained there was request from the RAASP Workshops that all reads marked as suspect reads are notified to Shipper. This has been added as requirement to the log.

MD explained Requirement 55 and that at the moment a replacement read can be made i.e the latest read can be replaced with a different read/date however this functionality was being taken out. SC challenged that the BRD does not take this ability out however the legal text appeared to remove this ability. She suggested that the legal text was not in line with BRD. MF asked if Xoserve could clarify the current build intention. MD explained that Modification 0432 legal text removes the requirement and, however the Modification 0434 BRD changes the requirement, which mirrors the Modification 0432 legal text.

Shippers wanted to understand if this was an intentional change. CB explained that there would be two scenarios where a Shipper may want to withdraw a read or replace a read on a different date. It was questioned if this was an error in legal text and if a modification was required to address the anomaly.

Action 0104: Meter Read Replacement (Requirement 55) - Xoserve to provide confirmation of what UNC 0432 legal text states and if a modification will be required to reinstate the ability to provide a replacement read on a different date.

BC believed the BRDs should indicate what is being changed and this has been challenged before. In principal everything will work as it is now unless stated in the BRD to be different.

DA believed there was something in the BRD, however the gravity of this has not been fully understood. DA concurred that Shippers are right to assume that existing functionality will continue however the BRD will provide indications of differences and stipulate the file flows, the rejections and validation file flows.

MD provided a brief presentation on the background of Consumption Adjustments for Transfer Reads. She provided an explanation of the recalculation of the transfer read following a retrospective update. MD explained a new estimate will be calculated, however the volume associated would not be changed for the estimate. SM expressed concern that a new Shipper shouldn't be able to amend a transfer read affecting the outgoing Shipper as this will affect the outgoing and incoming transfer of ownership bills – he was under the impression that this was an underlying principal of Nexus. CB explained that the SPAA process would need to be followed for replacing transfer reads due to the change of energy positions. She emphasised changes should not be made without agreement of all parties through the SPAA process principal and the processes should support the SPAA principal. CB explained the only time an estimate transfer read should change without consultation of all parties is where the customer provides an actual read.

SM confirmed where energy changes there must be an agreement between all parties.

MD agreed to review the process, include a reference to the SPAA process and provide a revision consideration and impact assessment of system design.

Action 0105: Consumption Adjustment for Transfer Reads – Xoserve to review process and provide a revised system design consideration.

7. Issues

No new issues raised.

8. Any Other Business

8.1. UNC Supplementary Documents

MD confirmed that the SSMP and Primes & Subs Documents would be considered at the January UNCC for approval. All the other UNC Supplementary documents have been approved.

9. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Workgroup meetings will take place as follows:

Time/Date	Venue	Workgroup Programme
10:30 Friday 29 January	31 Homer Road, Solihull. B91 3LT. (optional Teleconference if no issues)	BRD Review - Delivery of Modification 0434 Requirements and 0529
10:30 Tuesday 09 February 2016	31 Homer Road, Solihull. B91 3LT.	Nexus Workgroup including: Workgroup 0531 Delivery of Modification 0434 Requirements and 0529 Meter Read Replacement (Requirement 55) Consumption Adjustments for Transfer Reads Requirements Log
10:30 Tuesday 08 March	31 Homer Road, Solihull. B91 3LT.	Nexus Workgroup
10:30 Tuesday 12 April 2016	31 Homer Road, Solihull. B91 3LT.	Nexus Workgroup
10:30 Tuesday 10 May 2016	31 Homer Road, Solihull. B91 3LT.	Nexus Workgroup
10:30 Tuesday 14 June 2016	31 Homer Road, Solihull. B91 3LT.	Nexus Workgroup
10:30 Tuesday 12 July 2016	31 Homer Road, Solihull. B91 3LT.	Nexus Workgroup

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1201	08/12/15	3.0	Volumetrics – Xsoserve to review assumptions along with key input transactions and provide a view of the system volumes available for	Xsoserve (DA)	Closed

			Project Nexus		
1202	08/12/15	3.0	<i>Volumetrics</i> - Xoserve to consider the peaks within the DECC roll out curve and demonstrate in real terms what this may look like across the month	Xoserve (DA)	Closed
1203	08/12/15	3.0	<i>Volumetrics</i> - Xoserve to compare the baseline position and what timescales would be required to advance this	Xoserve (DA)	Closed
1205	08/12/15	6.0	<i>BRD</i> – Xoserve to clarify the arrangements for the estimated transfer read and retrospective updates.	Xoserve (MD)	Closed
0101	12/01/15	2.0	RAASP delivery deferral - Xoserve to provide clarification on what the impacts are to the current BRDs.	Xoserve (MD)	Pending
0102	12/01/15	2.0	RAASP delivery deferral - Workgroup to consider the potential costs impacts (any changes).	All	Pending
0103	12/01/15	2.0	RAASP delivery deferral - Xoserve to provide the methodologies used for volume assumptions	Xoserve (MD)	Pending
0104	12/02/16	6.0	Meter Read Replacement (Requirement 55) - Xoserve to provide confirmation of what UNC 0432 legal text states and if a modification will be required to reinstate the ability to provide a replacement read on a different date	Xoserve (MD)	Pending
0105	12/02/16	6.0	Consumption Adjustment for Transfer Reads – Xoserve to review process and provide a revised system design consideration	Xoserve (MD)	Pending