

Development Work Group 0209 Minutes
Tuesday 03 March 2009
31 Homer Road, Solihull

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	(MiB)	Joint Office of Gas Transporters
Afonja Shamsudeen	(AS)	RWE Npower
Chris Warner	(CW)	National Grid Distribution
Denis Aitchison	(DA)	Scotia Gas Networks
George Glenn	(GG)	ScottishPower
James Crump	(JC)	Ofgem
Joanna Ferguson	(JF)	Northern Gas Networks
Mark Jones	(MJ)	SSE
Sallyann Blackett (Proposer)	(SB)	E.ON Energy
Stefan Leedham	(SL)	EDF Energy
Steve Nunnington	(SN)	xoserve
Sue Prosser	(SP)	xoserve

Apologies

Simon Howe	(SH)	RWE Npower
------------	------	------------

1. Introduction and Development Work Group Operation

1.1 Minutes from Previous Meeting

The minutes of the previous meeting were accepted.

1.2 Review of Actions from previous meetings

DWG0209 031 – Chair (BF) informed members that following receipt of responses from interested parties, the business and validation rules had been updated and published on the Joint Office of Gas Transporters web site at: <http://www.gasgovernance.com/Code/DWGs/Mod0209/03Mar09/>

Chair (BF) asked, and members agreed to close the action.

Action DWG0209 031: Closed

2. Group Discussion and Agreements

Chair (BF) opened by providing a brief update on what discussions, surrounding the DWG0209 report, took place at the January 09 UNC Panel meeting. In short, panel members have a couple of areas of concern and have requested that the group provide additional clarification. They are asking the group to clarify implementation recommendations for either a User Pays (UP) solution or implementation during project Nexus, and inclusion of an enhanced cost v's benefit analysis.

SN confirmed any ROM costs for development and implementation provided by xoserve were based on changes to existing systems, though no consideration had been given to implementation prior to project Nexus.

Copies of all the various presentation materials for this meeting are available to view and/or download from the Joint Office of Gas Transporters web site at:

<http://www.gasgovernance.com/Code/DWGs/Mod0209/03Mar09/>

2.1 Rolling AQ & User Pays Presentation¹

EDF Energy (SL) provided a brief presentation on Rolling AQ & User Pays. In discussions, the following points of interest were discussed during the presentation:

- January 09 panel requested additional clarity surrounding potential implementation options – pre Nexus (User Pays) or as part of project Nexus;
 - not all members support a split into two modification proposal approach – one for a project Nexus solution and another covering a UP solution;
 - industry consultation process could look to seek views on a preferred option for implementation – although more detailed costing analysis would be needed up front;
 - the Proposer is to incorporate ROM costs into the proposal;
- EDF Energy support implementation on an asap basis;
 - concerns remain regarding adoption of an asap approach;
- Pre Nexus Option
 - subject to the Authority decision, 0213V requirements will apply to ALL future modifications post its implementation;
 - The Authority suggest that there maybe a need for some UP related ‘core’ changes to cater for transition period prior to next GDPCR;
 - even as a pre Nexus development, delivery is not likely before 2011;
 - split support – respective views heavily dependant upon timescales and additional costs for short term benefit;
 - detailed analysis would be required if opting for a pre Nexus option;
 - analysis of the additional costs associated with moving from a pre Nexus to a Nexus solution would be required if pre Nexus option was to be adopted;
- Project Nexus Option
 - Nexus development workshops commence in Autumn 2009 and are scheduled to finish in Autumn 2010;
 - 0209 implementation as part of project Nexus would require incorporation at a high level;
 - The Authorities view of what constitutes ‘as is’ with regards to Nexus system parameters is not currently fixed and is still being evaluated. As a rough guide only, it is something that DOES NOT induce a material Code change¹
- The Authority would prefer to see legal text for 0209 provided as early in the process as is practicably possible;

¹ This is definitely NOT a legal view at this moment in time.

- any subsequent (immaterial changes) could be catered for via a Consent to Modify.

2.2 Clarification of Implementation Options

xoserve (SN) opened this item as part of the ongoing discussions relating to the panel members request for enhancements to the Work Group Report. (*please see item 2. above*).

He reminded members that development of 0209 had always assumed Implementation as part of project Nexus and as a consequence, the costs reflect this. He went on to suggest that whilst it is possible to consider implementation of 0209 outside, and prior to, project Nexus he remains concerned that there is a potential for users to end up paying twice for the cost of development, for what in essence would amount to a delivery 12 months prior to Nexus. He remains convinced that implementation as part of project Nexus is the least cost option. As proposer, E.ON (SB) indicated that whilst not adverse to the suggestion of implementation of a solution outside of project Nexus (which could possibly see delivery as early as 2011), they have concerns and question if such a solution would really be viable within the proposed timescales.

Returning to the Nexus option, SN pointed out that 0209 may be delivered as part of an early phase of Nexus during 2012 (most likely to be October). The actual design phase of Nexus commences in 2010 and will be preceded by 'topic' workshops from September 09 onwards and this provides an opportunity for 0209 to be 'woven' into the Nexus delivery. He went on to remind members that undertaking 0209 as part of project Nexus could result in lower development costs, but trying to identify 'key' elements required for a User Pays solution will be extremely difficult at this time without full impact analysis.

In closing, SN pointed out that responses to the Nexus consultation have focused on various aspects of the validation requirements and any changes associated with this may affect the potential 0209 related costs.

2.3 Drafting Options for Legal Text

Members discussed the appropriateness of undertaking preparation of the legal text so far in advance of a possible 2011/12 implementation date.

DA advised members that their (SGN's) preference would be to prepare legal text nearer to the potential implementation date. However, he acknowledged that this view may not be shared by either the Authority or other members. In response, BF reminded members that whilst they could request that the proposal proceeds to consultation without accompanying legal text, the decision rests with the panel.

In discussion, members considered how to best 'position' the legal text within the UNC, should the proposal be approved by the Authority. One option would be for the text to reside within the Transition Document until such a time as the modification became effective, or alternatively, a footnote could be inserted at various points within the UNC indicating which paragraphs would be affected by the subsequent (future) implementation of 0209. On reflection, members favoured the latter. Additionally, members also acknowledged that they are able to request a delay in issuing the proposal for consultation or could request that the Authority delay their final decision.

When asked, JC confirmed that the Authority can only approve implementation of a modification where legal text is present. Additionally, in his opinion the earlier that legal text is available the greater the degree of certainty for interested parties, regardless of the issues surrounding possible changes occurring during the interim period between approval and subsequent implementation.

On reflection, members felt that it was preferable to have legal text (suggested or otherwise) prepared as soon as possible, however, on the strength of fully developed business rules to accompany the modification proposal, would prefer to seek approval at the March 09 panel meeting for the proposal to go out to consultation without legal text and to seek an extended consultation period, thereby providing additional time for preparation of the legal text.

2.4 Reconsideration of the Modification Proposal

The main discussion of this item took place under item 2.1 above, however the following additional issue were discussed as part of this item.

In considering her next move, SB acknowledged the need to revise the proposal to incorporate ROM costs and enhanced benefits analysis, although this may stop short of including a pre Nexus option. SB suggested an alternative proposal to 'cover' the pre Nexus option could be raised though they would only differ in their approach to implementation and timing.

BF suggested that the preferred approach will need to be reflected within the Workgroup report, before going on to point out to members that issues may arise should a Nexus development embargo be initiated in future.

BF pointed out that identification of tangible and real benefits would aid provision of more meaningful consultation responses from interested parties.

2.5 Reconsideration of the Business Rules

When asked, members agreed that version 1.0 of the business rules are fit for purpose and no further consideration is required at this time.

2.6 Reconsideration of the Validation Rules

When asked, members agreed that version 1.0 of the validation rules are fit for purpose and no further consideration is required at this time.

2.7 Additional Items for Consideration

Distribution Workstream – Network Code 0640 Process Implications

CW advised members that they have discussed the matter with xoserve and conclude that 0640 will continue to work as expected. This was a view shared by other members of the group.

However, CW believes that the 0209 legal text will need to consider potential 0640 impacts, but beyond this, no further action is required and matters can now pass through to the Distribution Workstream to continue discussions.

UKLink Committee – File Format & Related System Impacts

SN & SP pointed out to members that there will be some file format changes in due course and members should note the existence of the 3 month UKLC notice requirements.

UNCC – Establishment of a User/Transporter Forum

SN confirmed that this item relates to the potential establishment of a working group to consider Nexus development and implementation issues.

3. Development Work Group Report

BF opened by informing members that the displayed report (v1.0) already included the changes incorporated from the December meeting discussions. Furthermore, item 1 will be amended in due course upon receipt of E.ON's revised proposal. With regard to the timeline statement' in item 2, DA informed members that this matter is subject to a wider industry review.

Members then continued to review the document on-line and suggested changes were made accordingly.

In closing, BF informed members that subject to receiving the revised proposal in time, the Workgroup report will be presented at the March 09 panel meeting.

A copy of the amended Workgroup report will be available to view &/or download from the Joint Office of Gas Transporters web site.

4. Diary Planning for Work Group

Following a group discussion, members agreed that there is no need for further formal DWG0209 meetings, but noted that informal meetings to discuss development of the legal text maybe beneficial.

BF thanked members for their participation and commitment.

5. AOB

None.

APPENDIX A.

ACTION LOG – Development Work Group 0209

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
DWG0209 031	05/12/08	3.0	All members to review the amended business and validation rules and provide feedback by no later than 17:00hrs on 12/12/08.	All members	Update provided. Closed

* Key to action owners