

**Combined UNC0602 and iGT092 Workgroup Minutes
Implementation of Non Effective Days and Variant Non-Business
Days for Project Nexus Implementation (Project Nexus transitional
modification)**

Monday 12 December 2016

Lansdowne Gate, 65 New Road, Solihull, B91 3DL

Attendees

Les Jenkins (Chair)	(LJ)	Joint Office
Helen Cuin (Secretary)	(HCu)	Joint Office
Amrit Singh*	(AS)	Good Energy
Andrew Margan	(AM)	British Gas
Andy Clasper	(AC)	National Grid Distribution
Cher Harris*	(CH)	Indigo Pipelines
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CBa)	E.ON Energy
Colin Blair*	(CBI)	Scottish Power
David Addison	(DA)	Xoserve
Dave Hipwell	(DHi)	British Gas
Graham Smillie*	(GS)	Scottish Power
Huw Comerford	(HCo)	Utilita
Jenny Rawlinson*	(JR)	BUUK
Jon Dixon	(JD)	Ofgem
Katy Binch	(KB)	ES Pipelines
Kishan Nundloll	(KN)	ES Pipelines
Mark Jones	(MJ)	SSE
Naomi Nathanael*	(NN)	Plus Shipping
Nicola Garland	(NG)	Ofgem
Paul Wheeler	(PW)	EDF Energy
Paul Orsler	(PO)	Xoserve
Phil Lucas*	(PL)	National Grid Gas Transmission
Rachel Bird	(RB)	Gemserv
Richard Pomroy*	(RP)	WWU
Steve Ladle	(SL)	Gemserv
Steve Mulinganie	(SMu)	Gazprom
Steve Nunn	(SNu)	E.ON
Steven Britton*	(SB)	Cornwall Energy

* via teleconference

Copies of all UNC meeting papers are available at: <http://www.gasgovernance.co.uk/0602/121216>

The UNC Workgroup Report is due to be presented at the UNC Modification Panel by 19 January 2017.

1.0 Introduction and Status Review

LJ confirmed the intention to hold combined industry meetings to assess the UNC and iGT modifications.

SL highlighted that the UNC 0602 and the iGT 092 modifications had been amended to reflect the recommended solution of 9 Non-Effective Days (NEDs) plus 2 Variant Non-Business Days (VNBDs) (9+2) and to incorporate comments from industry meetings.

SM suggested there would be merit discussing an alternative option to the 9+2 and suggested an alternate of 10+2. He wished the Workgroup to have a debate to assist making a decision on whether to raise an alternate modification.

1.1. Approval of Minutes (24 November 2016)

Minutes approved.

2.0 Presentation and consideration of December testing results

DA provided a Transition Progress Group (TPG) paper and provided a recap of the discussions to date. These included:

- Minimum objection period = 1 day
- NEDs / VNBDs will impact Supplier Licence (21 Day Switching)
- Code Communications will not start until Project Nexus Implementation Date (PNID)

DA confirmed that Xoserve had produced a number of models based on the 1 day objection period and have received a number of questions around achieving this and how Xoserve are going to affect that change.

He confirmed that a consequence of adding more NEDs to the solution was that there would be more non-compliant supply point registration days, impacting the Supplier Licence (21 Day Switching).

DH enquired if the objection processing would be during the catch up (ie, in parallel). DA explained on the days that confirmation batches are processed Xoserve will be issuing a Code Communication but this does not account as a day for the objection window due to the suspension.

SNU was concerned about the customer impact and the cooling off period. He explained that a customer would need to object/withdraw from a transfer within the first 3 days despite having a right to a 14 day cooling off period, he believed the one day objection period was insufficient for a customer. The only protection the one-day offered was to Shippers to object to a transfer for example for bad debt. SM disagreed; whilst this might be true in the domestic sector it was not so for larger consumers.

CBa enquired if 9 NEDs allows sufficient time for the iGT data load. CBa challenged that there has been a shift from 5 to 7 NEDs, then 7 to 9 NEDs, and this will impact customers' ability to switch supplier. She was concerned that the level of days keeps increasing and questioned if the approach being taken is the best approach. JD indicated that the initial 5 days was an estimate, and that IDR1 had now demonstrated, for the first time, that 9 days was appropriate.

NG recognised there are a number of risks. She understood the need to undertake a number of text cycles to improve performance and transition design for Shippers to design systems. SNU suggested driving out efficiencies with IDR2 to decrease/improve the non-business days. DA explained that Xoserve are trying to find efficiencies for loading the iGT data loads. DHi emphasised the need to manage the risks.

LJ summarised that there was a trade off between early certainty, involving limited debate and potentially higher risk, and a more reliable but later decision, which would take longer in debate but might mitigate potential risk. He asked parties to consider at this stage what is more important; certainty or an early decision. Views differed.

DA provided a timeline to illustrate the activities required to load iGT data and the factors that needed to be taken into account. The projection line illustrated there is an element of contingency with target improvements that also may be possible.

DA explained that following the latest TPG meeting, Xoserve were asked to issue an options paper, setting out 3 options. These were to consider:

- 9 NEDs + 2 VNBDs
- Defer decision to the January Panel
- Other options – e.g. 10 NEDs + 2 VNBDs

Since then, it had become clear that there was a requirement for slightly more than 2 VNBDs and DA stated that Xoserve were now proposing 9 NEDS + 3 VNBDs.

DA explained there maybe benefits with deferring a decision to the January Panel as this would allow time and ability to undertake a further test, and the required number of NEDs needed maybe much clearer. However he recognised this may not provide the certainty that some parties may require.

DA confirmed that the NEDs will provide a period for data migration and the VNBDs are to allow Xoserve to catch up with batches/files submitted. He explained Xoserve will utilise the weekend non-business days but the more days added to the NEDs Xoserve will require more VNBDs to catch up.

SMu challenged the difference between the options of 9+3 verses 10+2. He emphasised the desire to implement Project Nexus on the 1st June. He challenged the balance of risk and if having an extra day to load iGT data could forsake delaying Nexus implementation for another month.

AM stated that by going to 10 NEDs it would mean that Monday 22nd May would also be an NED which would allow Shipper systems to close on the previous Friday and allow more time to load their own system changes. At this point DA advised that adding an additional NED to the base option effectively annexed the leading weekend (of 20/21 May 2017), during which Xoserve would commence transition activities and which made these days also 'non-effective' to avoid Shippers sending in files that couldn't be processed. The additional NEDs – becoming 12 now in this option – increased the catch-up period also; to 4. LJ summarised that the scenario with more contingency as described by SMu was actually 12+4.

LJ asked DA whether, instead of there being a leap from 9 to 12 NEDs, other transition activities could be allocated to this timeslot and relive pressure elsewhere in the plan. DA believed this was not possible, in part because of the impact on the wider plan and a lack of time to plan/test any other transition routines than were established under IDR1.

AM expressed that Shippers will not want to be in a position where their systems are turned off for a day in the middle of the week and wish where possible to de-scope any risk. He stressed Shippers need confidence for delivery on the 1st June.

DA explained that the implementation date would stay as the 1st June, with systems back up to full standard operation on Tuesday 6th June (for 9 NEDs) or Wednesday 7th June (for 10 NEDs).

The Workgroup discussed the options of raising an alternate or amending the existing modification to match the TPG recommendation.

CBa asked if the increase from 7 to 9 NEDs was purely for the iGT load, and if the extension was simply to add a contingency. CBa also enquired about other processes and impacts to file processing and how the 21-day switching will be affected.

JD explained that there would need to be a balance of risks and impacts on 21 day switching. DHi believed that extending the days reduced the risk of failure but would require more planning. JD wanted to be able to rationalise the impact to faster switching and the need for more days. SMu believed from past experience with large industry changes it would be more prudent to build in a contingency and avoid having to unpick a mess if the process fails.

SNU suggested the industry needed a paper to explain the reality and outline the risks to enable the industry to make an informed decision based on the balance of risk and which option is better for the industry.

It was suggested that Xoserve should produce a paper with a rationale for the 9+3, 12+4 options and an assessment of risks (i.e. 9+3 higher risk verses 12+4 lower risk).

DA explained for non-business days Shippers can still submit process flows, however for non-effective days the system will be shutdown and files submitted will be rejected. Shippers would need to process these when the system is back online and Xoserve will use the catch-up days to process. The submission of a file requires Xoserve to time-stamp that submitted file.

DA explained that more days will be required to catch up where there are more days when the system is shut-down for processing file days, Shippers will need time to submit files they have not been able to process and Xoserve will need time to turnaround the file submissions.

DA also emphasised that for every non-effective day (NED) this would add a day to the 21-day switching.

LJ again summarised the position the workgroup were in. From what had been heard the recommended Solution of 9+2 was clearly wrong and two options now appeared to be on the table; these being either 9+3 or 12+4, depending on your attitude to risk. At this stage he believed the workgroup had insufficient information to make an informed recommendation and that the matter might be better referred back to the Nexus project governance for a decision. He stated that the circumstances where the Codes were updated following a decision by an external party were unusual, but this was pragmatic. JD agreed, reminding the meeting that PNID had been amended to June 2017 via a similar route.

NG explained she would be happy to take the matter away and have the following day's Delivery Group (PNDG) require TPG to fully consider the two options and make a further recommendation before the end of the week. This would allow the Project Nexus Steering Group (PNSG) to make a decision at its scheduled meeting on 21 December 2016. This should meet the dual requirements of early certainty and a calculated view on the risks involved.

To achieve this, DA agreed that he should produce a relatively detailed assessment paper of the two options and a number of areas of concern were noted.

DHi wished to highlight that Shippers normally undertake system changes at the weekend to alleviate any impact on operations within the week.

JD enquired if the 12+4 option would allow Xoserve to still achieve the projected test plans for IDR2. DA explained that Xoserve will have material concerns whether or not testing could be undertaken and simulate the IDR activities and there would be a significant risk to achieve the plan. DA explained that the simulation needs to be undertaken.

MF suggested that from a testing/approving process the testing of the variants could be undertaken at the same time.

SMu was keen to stick with the June Project Nexus implementation and wished to understand what needs to be done to achieve the June implementation.

LJ reiterated that Xoserve would produce a paper on the 9+3 verses the 12+4 options, including the accompanying risk and opportunities, and the ability to achieve the implementation plan for 1st June. He stressed that to progress with the assessment the Workgroup needed a decision from the PNSG to move forward.

AM asked if the modification can be updated to outline the impacts to the process tables.

DA believed Xoserve would need two days to produce a paper with the right level of detail. He confirmed the intention for Xoserve to produce a paper within two days with as much detail as this allows, for submission to the next PNSG, planned for 19th/20th December.

CBa asked for Xoserve to also consider covering the weekend scenario within the Xoserve paper along with the impact of IDRs, (ie, is there enough time to complete the last IDR). She also suggested the paper should consider the Customer impacts, the catch-up time needed, and if days could be saved for the iGT data load.

DA explained that Xoserve at present do not know how long it will take to load iGT data, and may not know until it is being undertaken when it is clearer of the exact volumes. It was suggested there would be a stepped change in confidence at the point of IDR2, when there is an element of extrapolation. There are however further logistic enhancements where Xoserve may be able to claw back time if there are efficiencies with the data load.

SNU asked Xoserve to consider the new connection process, which is also changing.

SL asked when the Authority would require a Panel recommendation. NG confirmed that a Panel decision would be required no later than 20th January 2017 to enable the industry to manage the transitional design. JD suggested if necessary, Urgent Modification steps could be taken to meet the required deadlines. LJ believed this was only true for the original plan of a modification-led decision. If PNSG did confirm a decision as requested, the Code processes can take a little longer to ensure completeness. A further joint Workgroup could be scheduled once the PNSG decision had been taken and the assessments completed thereafter. At this stage, there was no reason to believe that the reports wouldn't be at the respective Panels for their January 2017 meetings.

It was agreed that the priority was for TPG to have sufficient information to be able to make a clear recommendation and subsequently PNSG to confirm that recommendation in order to give the industry the assurance it is requesting on what the solution is going to be. Once this has happened the UNC and UNC iGT would need to be amended. This would also assist Ofgem making a decision on the way forward for Project Nexus.

3.0 Development/Completion of UNC 0602 Workgroup Report

Item deferred.

3.1. Issues and Questions from Panel

- 3.1.1. The Workgroup is requested to consider the Proposer's requested governance and provide a justified recommendation
- 3.1.2. The Workgroup is asked to validate the Solution in terms of how many days are required to accommodate objections, and how this would be achieved

4.0 Review of Actions Outstanding

1101: *Non effective days* - DA to map out all of the days of the non effective period, and what flows will start/stop/restart on each day and provide these details in a paper prior to the next meeting (12 December 2016).

Update: DA provided the low level transitional design and provided a paper to reflect the 9 NED decision. **Closed.**

1102: *Restart of Communications following NEDs/VnBDs period* - DA to clarify in a paper to be added to the modification as an Appendix.

Update: DA confirmed a view on code communications had been provided. **Closed**

5.0 AOB

Referring to an action at the November Distribution Workgroup Meeting SMu asked about the progress on the RAASP update expected on the 22nd December. DA believed that the assumptions had been considered within the Assumption Paper (possibly Assumption 48). An update is expected for Action DX1101 (DA to seek views from the programme on a realistic delivery of RAASP, is it still feasible within a reasonable timescale).

6.0 Next Steps

Xoserve to produce a paper for submission to the TPG and consider including:

- a rationale for the 9+3, 12+4 options,
- an assessment of risks (i.e. 9+3 higher risk versus 12+4 lower risk) and opportunities.
- a clear explanation for PNSG to understand the difference between the two options and why there is a jump from a total of 12 to 16 days, and that the configuration of days, includes weekends.
- an explanation of the effects of the weekend
- the ability to achieve the implementation plan for 1st June
- the impact to IDRs,
- Customer impacts,
- if days could be saved for the iGT data load.

The paper should allow TPG to reconsider the recommended solution and provide a further recommendation.

National Grid and ESP will need to amend their respective modifications to align them to the recommendation from TPG and consider updating the modification to outline the impacts to the process tables.

7.0 Diary Planning

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

A decision on the next steps will be taken at the scheduled Distribution Workgroup meeting on 22 December. It was noted that a joint meeting was required and that this might be better planned for a standalone session.

Action Table (as at 12 December 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
1101	24/11/16	2.3	<i>Non effective days</i> - DA to map out all of the days of the non effective period, and what flows will start/stop/restart on each day and provide these details in a paper prior to the next meeting (12 December 2016).	Xoserve (DA)	Closed
1102	24/11/16	2.3	<i>Restart of Communications following NEDs/VnBDs period</i> - DA to clarify in a paper to be added to the modification as an Appendix.	Xoserve (DA)	Closed