

**UNC Workgroup 0602 Minutes
Implementation of Non Effective Days and Variant Non-Business
Days for Project Nexus Implementation (Project Nexus transitional
modification)**

Thursday 24 November 2016

Consort House, 6 Homer Road, Solihull B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Andrew Margan	(AM)	British Gas
Andy Clasper	(AC)	National Grid Distribution
Colette Baldwin	(CB)	E.ON Energy
Chris Warner	(CW)	National Grid Distribution
David Addison	(DA)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
Fergus Healy	(FH)	National Grid NTS
Gareth Evans	(GE)	Waters Wye Associates
Gavin Anderson*	(GA)	EDF Energy
Huw Comerford	(HC)	Utilita
John Welch	(JW)	RWE npower
Kathryn Turner*	(KT)	Good Energy
Kishan Nundloll*	(KN)	ES Pipelines
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Nicola Garland	(NG)	Ofgem
Rachel Hinsley	(RH)	Xoserve
Robert Cameron-Higgs*	(RCH)	Flow Energy
Sara Neal*	(SN)	Scotia Gas Networks
Sean Hayward	(SH)	Ofgem
Shanna Key	(SK)	Northern Gas Networks
Steven Britton*	(SB)	Cornwall Energy
Steve Mulinganie	(SM)	Gazprom

* via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0602/241116>

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

1.0 Outline of Modification

The modification in its draft form had been discussed at the October Distribution Workgroup meeting and those present were familiar with its purpose and intent.

2.0 Initial Discussion

2.1. Initial Representations

None received.

2.2. Issues and Questions from Panel

The UNC Modification Panel had asked the Workgroup to address the following points.

- Consider the Proposer's requested governance and provide a justified recommendation
- Validate the Solution in terms of how many days are required to accommodate objections, and how this would be achieved

These would be addressed in the Workgroup's discussions.

2.3. General Discussion

Before discussions commenced, SM reported that he had heard from other sources that a further combination of 9 non effective days (NEDs) plus 2 variant non Business Days (VnBDs) was being considered. DA referred to the implementation dress rehearsal where the data load took longer than it had been anticipated it would take and that this could have impacts concerning the number of NEDs required.

DA had provided a supporting presentation on non effective days (NEDs) and variant non Business Days (VnBDs).

Drawing attention to Slide 15 (Development of Modification), DA indicated there would be three further test cycles; the first concluding on 05 December 2016 (not on the test production environment, and there will have to be some extrapolation from another environment) and this should give a clearer idea of risk. DA explained how data was loaded/populated, observing that a number of problems were experienced.

CB asked why Xoserve had taken a different approach with iGT data, observing that it sounded risky to leave all to the NEDs period and was it not better to use a delta approach so that data was being populated in advance? DA responded that whereas the GT data can be 'delta-ed' across - the estate is already there to support that - the iGT data does not have that functionality. SM suggested there were solutions to that, but that might require more innovative thinking to address. There were concerns regarding timescales - the question was how to take the risk out of the iGT data upload. It was queried what was the confidence level in being able to fix it in time, and it was reiterated that it appeared to be too risky to leave all to the NEDs period; there was no guarantee it would not affect the market, and could the market then be brought back up?

Responding to the query as to whether deltas could be done, DA believed this was an option probably discounted due to the scale of change required to do it. The 01 July 2017 date makes some of the problems go away, but NEDs are still required, and if issues arise more time is needed (iGT NEDs). Many of the activities are parallel, but the risk is where convergence(s) occur; a request for two more NEDs should give some sense of the potential overrun. NG asked if Baringa was providing any assurance over this and RCH asked if PwC and Ofgem were aware of these issues/risks. DA replied that the risk was highlighted and discussed in the TPG meeting, and NG confirmed this. Shippers reiterated their concerns regarding risk to the project and the apparent failure to properly disseminate that to parties. SM believed the last checkpoint in March 2017 to be too close to June for comfort; March would be appropriate if all was going well, but it did not seem to be.

AM questioned whether there were any lessons learned during the previous data load test, which might reduce the system down time or increase the speed of the data load. DA advised that further tests would be undertaken but they were unable to commit to a performance improvement at this time.

There was a suggestion that it might be prudent to de-risk transition and give two extra NEDs, and to make this amendment now to give the industry clarity and assurance. BF questioned if the degree of risk to the project demonstrated the need for 9 NEDs. There was a need to

understand the scale of the risk and where/when backlogs would be dealt with. There was also a broader concern regarding the placement of the checkpoint given any change in circumstances.

DA advised that Xoserve had a plan to get back to relevant timescales and was trying to recover time as far as possible, and in December when the position was clearer, would make a checkpoint decision on the forward approach. He was not expecting the December testing to get back to a 7 day window, but it was sensible to await the December results to understand if 7 or 9 days were more appropriate, and to better describe the risk and what to do to de-risk to an acceptable point.

SM said that Shippers do not want a flawed delivery, and if two extra days were necessary to better achieve that, that might be preferred.

DA ran through the prospective timelines of Modification 0602 and anticipated decision date, noting that 01 April 2017 was the date by which Xoserve needed to have loaded the extra days into the system. He was conscious that the next Workgroup meeting (22 December 2016) would be the last opportunity to assemble and put forward the arguments, and noted that the results would have been discussed and early views obtained from TPG, which would be meeting on 20 December 2016. An educated risk-based decision would need to be made at the next meeting of Workgroup 0602. It was suggested that an additional meeting of Workgroup 0602 could be arranged in the interim to enable the Workgroup report to be presented to the December Panel; this was agreed, and would be arranged for 12 December 2016. It was suggested that DA extend the invitation TPG and iGT representatives as appropriate although it was noted that this is a UNC Workgroup and not a technical discussion forum.

AM observed that clarification was required in respect of VnBDs and what was expected to happen on those days. DA explained that normal activities as for any Thursday and Friday would continue, there would just be an increase in volume accommodated/processed. AM suggested that this need further clarification in the modification, as does what happens to the objection window and how that will work technically. NG indicated she was happy to take any concerns/views to PNSG so it can pick up and better understand any consequential impacts identified/of concern. A clearly understood strategy setting out what happens in the event of problems, solutions, timescales and approvals is required. SM agreed with AM that more detail on the activities planned for VnBDs was required and what Shippers will have to be in a position to react to.

DA explained how parameters might be changed over these days, the validation periods and rejection opportunities. Shippers themselves need to assess the timescales and appropriate parameters for them. DA said that he would be happy to clarify details/provide a paper on this. It was suggested that DA 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 prior to the next meeting (12 December 2016).

Action 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).

SM reiterated the need for some consistency of approach in disseminating information and messages. DA confirmed that Workgroup 0602 was the main forum for any decision making on what the forward approach should be. At the meeting on 12 December 2016, it needed to consider whether 7 +2, 9 + 2, or delay/invoke a one month contingency (confidence levels need to be understood). Depending on the results variations of the days required might also be an option.

Attention was then drawn to Slide 17 and DA outlined the matters arising in the TPG meeting, providing more detail on the discussion and questions that had arisen. DA will report back on how communications will be started up again. SM suggested that this be clarified in a paper and added to the modification as an Appendix.

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

For the meeting on 12 December 2016 AM suggested it would be helpful if the Proposer could provide a selection of options showing each of the various days.

DA then drew attention to Slides 12 and 13 regarding the treatment of minimum 1 day objection period/minimum confirmation period, noting that previous discussions had indicated that Xoserve needed to define a solution with a minimum of one Objection day. Two options had been considered (from a 7 day perspective); the first was introducing a Single Variant non Business Day (01 June 2017) - this was not recommended as IDR1 timings indicate that catch up activities will run into 02 June 2017; the second was to extend the minimum Confirmation lead time for Confirmation Effective Dates 05 – 07 June 2017 - this was the preferred option. An embedded spreadsheet within the presentation (slide 13) provided more detail. DA described the effect on timings. Shippers will have half a day to process (no overnight schedule). This has been explained to the TPG and no adverse views had been received. (DA noted that if there were a move towards 9 + 2 then it would change this.)

3.0 Next Steps

AC will make appropriate revisions to the modification and provide option(s) for the next meeting.

DA will provide papers in response to the actions.

A Workgroup meeting will be arranged for Monday 12 December 2016, details to be advised when confirmed.

4.0 Any Other Business

None raised.

5.0 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 Monday 12 December 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	<ul style="list-style-type: none"> • Consider results of December testing • Consider options (the various combinations of NEDs/VnBDs and any alternatives) • Develop/complete Workgroup Report
10:30 Thursday 22 December 2016	Elaxon, 350 Euston Road, London NW1 3AW	<ul style="list-style-type: none"> • Develop/complete Workgroup Report if this is not concluded at 12 December meeting

Action Table (as at 24 November 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)	<i>Due to JO by 02 Dec 16</i> Pending
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)	Pending