Project Nexus Steering Group Minutes
Tuesday 01 September 2015
Ofgem's Offices, 9 Millbank, London SW1P 3GE

Attendees

Alex Travell	(AT)	E.ON UK	
Andy Sinclair	(AS)	PwC	
Angelita Bradney	(AB)	Ofgem	
Chris Warner	(CW)	National Grid Distribution	
Dave Turpin	(DT)	Xoserve	
Gareth Evans	(GE)	Waters Wye Associates	
Gill Williams	(GW)	PwC	
James Beverley	(JB)	Baringa	
Jeremy Adams-Strump	(JAS)	Ofgem	
Jeremy Guard	(JG)	First Utility	
Jon Dixon	(JD)	Ofgem	
Les Jenkins (Chair)	(LJ)	Joint Office	
Lorna Dupont (Secretary)	(LD)	Joint Office	
Mike Harding	(MH)	Brookfield Utilities	
Sandra Simpson	(SS)	Xoserve	
Stuart Cook	(SC)	PwC	

Copies of papers are available at: http://www.gasgovernance.co.uk/NexusSG/010915

Key Messages from this meeting:

RAASP Design		
Retrospective Adjustments for Assets and Supply Points	• Unanimous vote to start RAASP Design on the revised date of 01 September 2015 • Steering Group emphasised that **the PwC Implementation Plan is being followed**, and that the **prudent step of considering risks and mitigations (such as the RAASP Impact Assessment) will be continued as necessary** throughout the implementation phase. • Shippers are again urged to assess the benefits and costs to their organisation of RAASP since little empirical data has been provided to date. • A first draft RAASP Decoupling impact assessment will be published by Friday 05 September; it should be noted that the document contains only high level assumptions on costs.	**INFORMATION AND ACTION**

L2 MT		
Approach	• In principle agreement of the approach reached • Expected to be approved at the next meeting – has no adverse impact on the plan.	**INFORMATION**
Testing	• Greater visibility of progress of L2 testing to be provided to future Steering Group meetings.	**INFORMATION**
Terms of Reference for PNSG		
P/AM Deliverables	• Revised scope of Project/Assurance Manager role approved • ToR republished.	**INFORMATION**
Key interactions and communications		
Update	• Acknowledged that a refresh of key interactions and communications is needed. Work is in progress to deliver this, update next meeting. • Noted that UK Link Committee (UKLC) has a formal role in approval of systems-related changes. • Short notice quorate UKLC meetings (t-confs) may be required to make decisions critical to implementation; members are asked to take note.	**INFORMATION**

1.0   Introduction and Review of Minutes

'Chatham House Rules' apply to general discussion.

LJ welcomed all to the meeting; quoracy was confirmed.

1.1   Note of Alternates

None.

1.2   Review of Minutes (18 August 2015)

The minutes of the previous meeting were approved.

2.0   Programme Report

2.1 Confirm Date Change: RAASP design activity re-starts - brought forward to 01 September

Reiterating the 'in principle' conclusion reached at the previous meeting, LJ sought approval of the date change. The voting members gave unanimous approval to this change.

Approval to commence the RAASP design phase was then sought. The voting members gave unanimous approval.

2.2 General Report

AS confirmed the status remained as AMBER (the two major risks being delivery of RAASP and the MT approach), and drew attention to the four milestones.

Milestone 1 - 01 Sept L2 MT Approach approved

A draft approach document had been issued for review; it was not in a position to seek approval yet.

Milestone 2 - 01 Oct Industry/Xoserve testing complete for L2 MT

The exit/entry criteria had been updated and will be issued on the portal shortly.

SS provided a separate presentation on 'UKLP MT Readiness Stats', including the Xoserve Testing Plan summary and confirmed the current position in respect of MT L2 readiness. The 202 planned tests included Xoserve internal tests and Gemini invoicing files. It was noted that ERR/FRJ files had not been approved at the UK Link Committee meeting on Friday (28 August 2015), and SS confirmed that Xoserve was doing an impact assessment on these. Stats were then presented for MT L3/4 readiness. The 1,077 planned tests (target testing) will feed into E2E testing. SS confirmed that Xoserve was only reporting defects that may have an impact. These were briefly discussed, in terms of levels that might be expected, frequency, time taken to resolve, the potential for external effects, and opportunity for consultation, etc, and whether there might be a final date for resolution of defects in target testing phase. SS indicated she would need to confirm what was that latest date that E2E testing could commence, and explained there was a contingency month in hand. The target testing phase, any required file format changes and defects were the focus at present.

It was suggested that it would be helpful to provide definitions of the categories P1 and P2, together with some example defects.

Action 0901: *MT Readiness Defects Statistics* - Xoserve to provide definitions of the categories P1 and P2, together with some example defects.

Milestone 3 - 01Sept RAASP design activity re-starts

A design plan, including a proposed industry workshop schedule (September - December 2015) had been provided. The programme/contents of each workshop were outlined, and SS reiterated Xoserve's expectations in respect of industry participation/commitment.

CW drew attention to the implementation plan, commenting on the need to be mindful of UNC obligations and the need to label the plan with the correct title (as referred to in Modification 0458) and the relevant UNC sections/references.

Action 0902: *Implementation Plan* - National Grid Distribution (CW) and PwC (AS) to liaise and update the plan to align to the requirements implemented by Modification 0458.

Milestone 4 - 01 Dec (tbc) Detailed Design completed

Assessment work was ongoing; the date needed to be confirmed.

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Industry 'Plan on a Page' (relating to Action 0804)

Noting the requests made by constituents for more detail to be provided, i.e. a second page outlining dependencies/parties, etc, a Shipper member referred to one produced by DECC as an example. SS indicated she had provided more information to PwC following the last meeting. AS was considering the production of a broadened plan, in parallel to the reporting pack and which was seen to be appropriate for the purposes of the Steering Group, to include change control/requests, and suggested including perhaps ten key points (i.e. the perennial ones that seemed to be discussed/revisited at every meeting) to clarify the 'common' understanding. This would help to build confidence in the milestones and provide a view on various positions.

It was agreed to provide a draft for review at the next meeting. *(Action 0804, carried forward)*

3.0   Matters for Consideration

3.1.   Decoupling RAASP from Core (Action 0704)

A draft document, intended to inform a potential future decision point should the delivery of RAASP become a significant risk to the programme, was circulated to PNSG on 28 August 2015. AS gave a brief overview of the key findings, noting the significant costs associated with Options 2 and 3 (delaying RAASP) and that Option 1 "Everything together' was the preferred option. A discussion ensued.

AS confirmed that assumptions had been made in respect of costs. A Shipper member observed that to continue to entertain an expectation of the provision of empirical data by other parties was perhaps not very realistic, given all else that was happening. Attention was drawn to previous work carried out by Water Wye Associates, in regard to how large an error can be and when it can appear, etc; this might include data which may be of use. JD commented that these related to exceptional circumstances, which would be dealt with anyway. The assessment required a realistic estimate of a percentage that might be wrong and how that percentage could be dealt with (manual workaround?); the logic being, if they are currently dealt with within two years, it could be said there is no point in incurring significant additional cost, delaying the core etc. LJ reiterated that the benefit of delivering functionality potentially at significant additional cost had yet to be demonstrated.

Another Shipper member suggested a fourth option, whereby the 65 scenarios could be reviewed, and the most significant identified and the functionality then assessed and validated to see which were the most crucial elements to deliver. It was suggested it would be sensible to revalidate the scope of RAASP and that this might usefully take place in the Xoserve workshops, albeit via a short duration review given the time pressures and the restrictions on changes to design.

The process for change was discussed, with SS and a Shipper member explaining in more detail.

It was observed the original question centred on 'decoupling', whereas the focus now seemed to be shifting towards establishing benefits? LJ clarified that the question remained, what was the impact of decoupling RAASP; there was not sufficient information to consider the matter fully at present. SS suggested the paper should indicate quite clearly what the impacts would be if the PNSG were be in a position to have to make a recommendation about decoupling. JD suggested it might also look at what point does Option 2 or Option 1 become the preferred option - the position may change in two or

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three months' time - and it would have to be clear what the default action might be should 'x, y or z' happen. Volumes would have to be really significant/material before considering delays to Core.

SS indicated that Xoserve needed to examine the paper, make an assessment and return with a considered view.

A Shipper member reiterated concerns regarding manual workarounds and briefly discussed the ability to adjust data (using forms, flows, etc), and wondered if a manual workaround could be confirmed for Option 2. LJ thought it might be too late in the process to determine this.

LJ concluded the discussions and reaffirmed that the PNSG was holding to the PwC Implementation Plan and prudently considering risks/issues/mitigations as appropriate. It was suggested that all parties should read the assessment paper and submit any comments to PwC.

Action 0903a: *Decoupling RAASP from Core -* **All parties to read the assessment paper and submit any comments to PwC.**

Action 0903b: *Decoupling RAASP from Core -* **Xoserve to clarify and revalidate the assumptions.**

Action 0903c: *Decoupling RAASP from Core -* **PwC to reposition the paper and clarify its anticipatory nature, making it clear that it does not detract from the main Implementation Plan.**

3.2. Market Trials Approach: Review/Approval

AS gave a brief update on progress made by the MTWG. Key principles had been agreed and a final draft of the MTWG Approach document had been issued for market and PNSG review.

AS also reported that MTWG members were raising a number of questions (e.g. on volumetrics), which were not necessarily seen to be the province of the MTWG. This seemed to be symptomatic of the continuing communication problems, recognised previously by PNSG, in that it was sometimes very difficult to know where questions could be fielded, and how a party could obtain relatively quick responses. There was a short discussion and SS pointed out that there was a Q and A section, currently displaying around 1700 Qs/As, on the Xoserve website. JD observed that it needs to be very clear where questions can be submitted and what the expectation time for a response should be; a clear communication plan is required.

Action 0904: *Communication Plan -* **Xoserve to clarify how/where queries will be handled (initial assessment, route, expected response time, etc) and to re-communicate this information.**

Whilst noting that the MTWG Approach document was not yet ready for PNSG to formally approve, the PNSG did give its unanimous approval to the principles of the L2MT approach.

Review and Approval of the MTWG Approach document was therefore deferred until the next meeting (14 September 2015).

3.3 Project Nexus Steering Group Terms of Reference (ToR): Review/approval (Actions 0709/0805)

A draft document was circulated to PNSG on 28 August 2015. AS gave a brief overview of the key changes. These were reviewed and approved.

The Project Nexus Steering Group Terms of Reference will be revised and republished.

3.4   Governance Interactions: Review/Approval

AS drew attention to the draft document provided, reporting that, whilst no written comments had been received, some discussions had taken place; views were summarised.

The UK Link Committee's (UKLC) role in governance was reiterated, and it was confirmed that short notice extraordinary UKLC meetings were now being called to quicken review/approval where necessary. All parties were welcome to participate in UKLC meetings (invitations were issued via the Joint Office 'Meetings Notices' distribution list) although in practice it tended to be a technical audience, and only the elected UKLC Members were entitled to vote. Under the UNC, its formal escalation route was to the UNC Committee (UNCC), although it was acknowledged that the UNCC members did not necessarily have sufficient technical knowledge to adjudicate on some potential issues. This was briefly discussed. It was suggested that perhaps the UNCC could consider and agree an ad hoc process to deal with any technically based impasses.

It was suggested that LJ take this idea to the September UNCC meeting for consideration.

Action 0905*: UKLC/UNCC Escalation route* **- LJ to request the UNCC consider and agree an ad hoc process to deal with any technically based impasses that are escalated from UKLC.**

Returning to the document, it was suggested that the information provided should be redrafted to clarify routes.

The document will be redrafted for further consideration at the next meeting.

Action 0906: *Nexus Governance Interactions* **- Redraft document to clarify communication/escalation routes.**

3.5 Risks and Issues

It was noted that the ERR/FRJ file level rejection treatment had not been approved by UKLC on Friday, and it was suggested this be added to Risk Log.

LJ suggested making an in depth examination of the Risks and Issues the main focus of the next meeting. This was agreed (see 8.0, below for more details).

4.0   Key Milestones Approval to Proceed

4.1 RAASP design activity re-starts

Unanimously approved; see 2.1, above.

4.2 L2 MT Approach Approved

Approval deferred to next meeting; see 3.2, above.

5.0   Any Other Business

5.1 UNC Modification 0550 - Project Nexus: Incentivising Central Project Delivery

Drawing attention to this recently raised proposal, CW said that the Transporters were concerned about the existence of this modification, and the messages that it seems to

convey about Project Nexus, and had asked Ofgem to provide an early view. Potential uncapped liabilities are seen as a significant risk to the Transporters, and this undermines the Transporters' confidence in supporting Project Nexus, and poses a significant distraction to ongoing work.

Steering Group members noted the comments.

6.0   Outstanding Actions

The outstanding actions were reviewed.

0704: PwC to start on impact assessments (including potential mitigation) for decoupling RAASP (from Core) should this later be required.

Update: See 3.1, above.   **Carried forward**

0709: *PNSG Terms of Reference* - SC to review section 'Deliverables: PA/M' and provide appropriate revisions for approval at the next meeting.

Update: See 3.3, above. **Closed**

0801: PwC (AS) to confirm the Stage Gate criteria to measure entry into RAASP design 01 September 2015.

Update: AS confirmed that the PwC Assurance Hub has been updated with L2 MT entry/exit criteria. An illustration was provided on page 7 (Section 1.4) of the reporting pack. **Closed**

0802a: Xoserve (SS) to provide a high level plan for RAASP design activities where industry needs to be included.

Update: Provided; see 2.2 (*Milestone 3*), above. **Closed**

0802b: Shipper representatives to canvass interest and engage constituents in participation.

Update: Ongoing. **Closed**

0803: PwC to consider the risks that are reported and to agree with Xoserve appropriate wording for an Xoserve resourcing risk.

Update: SS observed that Xoserve had yet to review this. **Carried forward**

0804: *PNSG ToR* - Xoserve/Baringa to ascertain whether a plan along the lines of the Joint Industry Plan for SMART could be provided.

Update: See discussions at 2.2 (*Industry 'Plan on a Page'*), above; a first draft is to be provided for the next meeting (14 September 2015). **Carried forward**

0805: *PNSG ToR* - PwC to reconsider the PA/M Deliverables based on feedback.

Update: See 3.3, above. **Closed**

0806: *Nexus Governance Interactions* - All to read pack provided and provide comments to PwC (AS) by Friday 20 August 2015.

Update: AS reported that some discussions had taken place but that no written comments had been received. See 3.4, above. **Closed**

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7.0 Key Messages and Items for Publication

The Key Messages were discussed and agreed and will be circulated.

The table including the information, circulated by email following this meeting, is provided at the head of these minutes (see page 1, above).

Publication of meeting papers was agreed.

8.0 Next Agenda and Diary Planning

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

Next Meeting

LJ suggested that the next meeting would be better facilitated as a face-to-face meeting, to give sufficient time to engage with and consider the Risks and Issues Log in greater detail. It was agreed to change the arrangements and the next meeting will now be held at 31 Homer Road, Solihull B91 3LT, starting at 10:30.

At this meeting the expectation will be to:

• Review any action updates

• Receive the Market Trials Working Group update and approve Approach (L2 MT)

• Consider the redrafted information provided in the updated pack 'Nexus Governance Interactions'

• Review Risks and Issues Log.

Attendance

It is assumed that all members will attend/participate unless the Chair is notified otherwise and any meeting papers for publication should be provided to the Joint Office as soon as possible and in advance of each meeting.

Members are reminded they must formally notify the Joint Office of any absence and the attendance of their Alternate.

Unless otherwise notified, Project Nexus Steering Group meetings will take place as follows:

2015

Time/Date	Venue	Workgroup Programme
10:30 - 14:00, Monday 14 September 2015 *(Please note change to start time)*	**31 Homer Road, Solihull B91 3 LT** *(Please note change of venue)*	• Impact assessments (including potential mitigation) for decoupling from RAASP from Core delivery - update (Action 0704) • Market Trials Working Group update • Governance Structure for Nexus meetings update • Review of Risks and Issues Log

10:00 - 13:00, Monday 28 September 2015	Ofgem, 9 Millbank, London SWIP 3GE	*To be confirmed*
10:00 - 13:00, Monday 12 October 2015	Ofgem, 9 Millbank, London SWIP 3GE	*Formal checkpoint meeting*
13:00 - 16:00, Monday 02 November 2015	Ofgem, 9 Millbank, London SWIP 3GE. Approximate start time no earlier than 13:00 (*following Change Overview Board meeting*)	*To be confirmed*
10:00 - 12:00, Monday 16 November 2015	Teleconference	*To be confirmed*
13:00 - 16:00, Monday 07 December 2015	Ofgem, 9 Millbank, London SWIP 3GE. Approximate start time no earlier than 13:00 (*following Change Overview Board meeting*)	*To be confirmed*
10:00 - 13:00, Friday 18 December 2015	Ofgem, 9 Millbank, London SWIP 3GE	*Formal checkpoint meeting*

2016

Time/Date	Venue	Workgroup Programme
10:00 - 11:00, Friday 08 January 2016	Teleconference	*To be confirmed*
10:00 - 13:00, Monday 18 January 2016	Ofgem, 9 Millbank, London SWIP 3GE	*Formal checkpoint meeting*
13:00 - 16:00, Monday 08 February 2016	Ofgem, 9 Millbank, London SWIP 3GE. Approximate start time no earlier than 13:00 (*following Change Overview Board meeting*)	*To be confirmed*
10:00 - 12:00, Monday 22 February 2016	Teleconference	*To be confirmed*
10:00 - 13:00, Monday 14 March 2016	Ofgem, 9 Millbank, London SWIP 3GE	*Formal checkpoint meeting*
10:00 - 12:00, Monday 28 March 2016	Teleconference	*To be confirmed*
10:00 - 13:00, Monday 11 April 2016	Ofgem, 9 Millbank, London SWIP 3GE	*To be confirmed*

10:00 - 12:00, Monday 25 April 2016	Teleconference	*To be confirmed*
10:00 - 13:00, Monday 16 May 2016	Ofgem, 9 Millbank, London SWIP 3GE	*Formal checkpoint meeting*
10:00 - 13:00, Friday 27 May 2016	Ofgem, 9 Millbank, London SWIP 3GE	*Formal checkpoint meeting*
10:00 - 13:00, Monday 13 June 2016	Ofgem, 9 Millbank, London SWIP 3GE	*To be confirmed*
10:00 - 12:00, Monday 27 June 2016	Teleconference	*To be confirmed*
10:00 - 13:00, Monday 11 July 2016	Ofgem, 9 Millbank, London SWIP 3GE	*To be confirmed*
10:00 - 13:00, Wednesday 27 July 2016	Ofgem, 9 Millbank, London SWIP 3GE	*Formal checkpoint meeting*
10:00 - 13:00, Monday 08 August 2016	Ofgem, 9 Millbank, London SWIP 3GE	*To be confirmed*
10:00 - 12:00, Monday 22 August 2016	Teleconference	*To be confirmed*
10:00 - 13:00, Monday 05 September 2016	Ofgem, 9 Millbank, London SWIP 3GE	*To be confirmed*
10:00 - 13:00, Monday 19 September 2016	Ofgem, 9 Millbank, London SWIP 3GE	*Formal checkpoint meeting*

Action Table (01 September 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0704	01/07/15 *(amended 03/08/15)*	3.0	PwC to start on impact assessments (including potential mitigation) for decoupling RAASP (from Core) should this later be required.	PwC (AS)	*Update due 14 September meeting* **Carried forward**

Action Table (01 September 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0709	13/07/15	4.0	*PNSG Terms of Reference -* SC to review section 'Deliverables: PA/M' and provide appropriate revisions for approval at the next meeting.	PwC (SC)	**Closed**
0801	18/08/15	2.0	PwC (AS) to confirm the Stage Gate criteria to measure entry into RAASP design 01 September 2015.	PwC (AS)	**Closed**
0802a **0802b**	18/08/15	2.0	a) Xoserve (SS) to provide a high level plan for RAASP design activities where industry needs to be included. b) Shipper representatives to canvass interest and engage constituents in participation**.**	Xoserve (SS) Shipper members	**Closed**
0803	18/08/15	2.0	PwC to consider the risks that are reported and to agree with Xoserve appropriate wording for an Xoserve resourcing risk.	PwC (AS)	**Carried forward**
0804	18/08/15	3.3	*PNSG ToR -* Xoserve/Baringa to ascertain whether a plan along the lines of the Joint Industry Plan for SMART could be provided.	Xoserve (SS) and Baringa (MA)	*Update due 14 September meeting* **Carried forward**
0805	18/08/15	3.3	*PNSG ToR -* PwC to reconsider the PA/M Deliverables based on feedback.	PwC (AS)	**Closed**
0806	18/08/15	3.4	*Nexus Governance Interactions -* All to read pack provided and provide comments to PwC (AS) by Friday 20 August 2015.	ALL Parties	**Closed**
0901	01/09/15	2.2	*MT Readiness Defects Statistics -* Xoserve to provide definitions of the categories P1 and P2, together with some example defects.	Xoserve (SS)	**Pending**

Action Table (01 September 2015)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0902	01/09/15	2.2	*Implementation Plan -* National Grid Distribution (CW) and PwC (AS) to liaise and update the plan to align to the requirements implemented by Modification 0458.	National Grid Distribution (CW) and PwC (AS)	**Pending**
0903a	01/09/15	3.1	*a) Decoupling RAASP from Core -* All parties to read the assessment paper and submit any comments to PwC.	All parties	**Pending**
0903b			*b) Decoupling RAASP from Core -* Xoserve to clarify and revalidate the assumptions.	Xoserve (SS)	**Pending**
0903c			*c) Decoupling RAASP from Core -* PwC to reposition the paper and clarify its anticipatory nature, making it clear that it does not detract from the main Implementation Plan.	PwC (AS)	
0904	01/09/15	3.2	*Communication Plan -* Xoserve to clarify how/where queries will be handled (initial assessment, route, expected response time, etc) and to re-communicate this information.	Xoserve (SS)	**Pending**
0905	01/09/15	3.4	*UKLC/UNCC Escalation route* - LJ to request the UNCC to consider and agree an ad hoc process to deal with any technically based impasses that are escalated from UKLC.	Chair (LJ)	***Update due 28 September meeting*** **Pending**
0906	01/09/15	3.4	*Nexus Governance Interactions* - Redraft document to clarify communication/escalation routes.	PwC (AS)	***Update due 14 September meeting*** **Pending**