

## Notes and Actions from the Senior Stakeholder Forum

**Tuesday 8<sup>th</sup> October 2013**

### **Attendees:**

<b>Name</b>	<b>Organisation</b>
Sandra Simpson (Chair)	Xoserve
Nick Salter (NS)	Xoserve
Andy Miller (AM)	Xoserve
Tim Davis (TD)	Joint Office of Gas Transporters
Mike Harding (MH)	AiGT
Sean McGoldrick (SMcG)	National Grid Transmission
Joanna Ferguson (JF)	Northern Gas Networks
Phil Broom (PB)	Gaz De France Suez
Sharon Johnson (SJ)	British Gas
Paul Rogers (PR)	National Grid Distribution
Hazel Ward (HW)	Npower
Alex Travell (AT)	E.ON
Angela Love (AL)	Scottish Power
Nigel Nash (NN)	Ofgem
Martin Brandt (MB)	Scottish and Southern Energy
Chris Logue (CL)	National Grid Transmission

### **Apologies:**

<b>Name</b>	<b>Organisation</b>
Mike Hogg	Dong Energy Sales
Mark Eccles	GazProm Energy
Mark Cox	EDF Energy
Andrew Green	Total
Mark Cosgrove	Statoil
Peter Olsen	Corona Energy
Steve Simmons	Scotia Gas Networks

### **Actions:**

<b>Ref</b> (Date – Seq. No)	<b>Action Item</b>	<b>Action On</b>	<b>Update and Action Status</b>		
1906-01	Update Terms of Reference	NS		Circulated prior to the meeting with no further comments received.	<b>Closed</b>
1906-02	Review UKLP Plan to identify anticipated external impacts / dependencies.	AW		Xo to work with Scottish Power and NPower	<b>Open</b>
1906-03	Xoserve to describe the purpose of the forums for future UK-Link Engagement to allow organizations to ensure the correct attendees are present.	SS		Presented at SSF in October.	<b>Closed</b>

## **1. Introduction**

Introductions were given.

The Chair thanked everyone for their attendance and explained the main purpose of the meeting, following feedback from the previous meeting on 19<sup>th</sup> June 2013, to consider the UK-Link Programme (including the Nexus changes) in the context of the broader industry change programme, particularly focussing on 2015. A focus of this forum was to discuss Stakeholder aspirations for the go live of the UK-Link Programme.

## **2. European Reform Change**

Chris Logue from National Grid Transmission attended the group to give an overview of the 12 European Code areas, emphasising they are legally binding, and informing the group of the current status and implementation for each code area as follows:

Congestion Management	1 <sup>st</sup> October 2015 (fixed)
Capacity Allocation Mechanism	1 <sup>st</sup> November 2015 (fixed)
Gas Balancing	October 2015 (TBC)
Interoperability	Q4 2015 (estimated)
Tariffs	January 2017 (estimated)
Incremental Capacity	TBC

AL queried where the gas day changes are covered and CL clarified it was in Capacity Allocation Mechanism.

MB made reference to the harmonisation of data protection laws within the EU, targeted for 2015/16 and queried whether Interoperability includes this. Reference was also made to the timeframe being similar to UK-Link Programme and whether there are any implications for Xoserve, particularly for the Data Enquiry system. Xoserve agreed to take this away for consideration.

A query was raised over whether NGGT were seeking feedback from the industry on the scheduling of European changes. CL referenced the fixed deadlines with little scope to move dates around. NGGT were looking for input or ideas to defer but still ensure compliance.

It was reported that Xoserve had been engaged by NGGT to conduct analysis on a number of the European changes.

CL left the meeting following this item.

## **3. SMART DCC Day One**

Sharon Johnson (BGT) gave an overview of DCC Day 1 changes from a supplier perspective. It was shared that within British Gas, the systems impacted by the changes required for SMART and those required for the Nexus requirements are largely independent of one another.

It was explained that from a supplier perspective the period prior to DCC Day 1 go live in October 2015 is expected to be a quieter period than the period following go live. Following go live there is a cutover period of a year through to October 2016 when there is expected to be a more intense period of activity for suppliers which includes testing and training.

Sharon shared that from a BGT perspective it would therefore be preferable to have the Nexus requirements implemented before the end of 2015. In particular iGT

Agency Services are a priority and delivery ahead of the main DCC go live activities would be helpful.

It was presented that suppliers have a good understanding of what DCC Day 1 looks like and what suppliers are required to deliver. It was commented that development and publication of an implementation plan for the UK-Link Programme is essential, Xoserve confirmed that this SSF meeting was seen as an important checkpoint in developing industry agreed target go live dates for the Nexus BRDs, which would then form the basis of development / review of more detailed plans.

At this point in the meeting a number of stakeholders stressed the importance of having visibility of more detailed plans to enable effective planning of resources and budgets within their own organisations. There was feedback that stakeholders did not fully understand what was happening, and in what timescales, in respect of the UK-Link Programme and would like clarity on dependencies, risks and issues, in particular those which have a reliance on external stakeholders.

Xoserve clarified that they have a detailed plan for the Logical Analysis phase of the project with a high level view of the other phases of the delivery programme which has been shared with the industry. The more detailed elements of the plan that stakeholders are seeking will be developed with the successful bidder, taking into account target timescales.

At this point Xoserve also gave an overview of the process currently being undertaken to appoint a Design, Build, Implement & Operate (DBIO) partner. Xoserve is working with 3 bidders via a series of workshops to determine the most appropriate design and delivery plan. Each vendor has been given the Nexus BRD's, level 3 process models and existing UK-Link source code. Vendors have also been asked to consider transition approaches and timelines.

Xoserve will be working with a preferred vendor from the end of November on a detailed delivery plan for the UK-Link Programme with an aspiration to have a detailed delivery plan and approach available by the end of January 2014.

AL highlighted that it is important to have an agreed detailed plan for the Shippers to work to. In particular she noted that as the £20m funding of the Nexus programme will come from customers and the benefits will accrue to customers that it will be important to fully consider and justify any proposed slippage in delivery. In particular the industry must have the ability to consider mitigating any proposed slippage and that the project plan would be key to doing this. Xoserve accepted an offer from Scottish Power and Npower representatives to work together with Xoserve to agree an appropriate level of information to share with the industry as the detailed delivery plan is developed.

#### **4. Nexus Modification Update**

Xoserve gave an update on the functional areas covered by the Nexus modifications and the implications on shippers/suppliers and other industry participants. An update was also given on where the individual modifications are in the approval process.

It was agreed that the modifications are progressing towards approval by Ofgem in March. It was emphasised that the anticipated mod approval dates, including those associated with IGT arrangements, remain on the critical path for Xoserve to award DBI contract(s).

It was queried whether the standard 3 week consultation period was sufficient for these modifications or whether a 7 week consultation period was required. The group agreed that a 3 week consultation period, although challenging, would be sufficient.

Xoserve stressed the importance of each organisation ensuring they had read the Nexus BRD's which are published on the Joint Office website.

There was considerable discussion over how the implementation date(s) for the modifications would be set and who was responsible for setting / reviewing them, particularly given the broad scope of changes, dependency / impacts upon non-UNC parties and the scope of other change targeted for go live around the same time. Ofgem queried whether the existing Nexus modifications (432, 434, 453 and 440) could follow their course and be approved in March 2014 but without an implementation date and a new modification raised to explain how the implementation date would be set. The Joint Office clarified that this would not be workable option within the mod rules. The group felt that existing mechanisms should be used in setting the implementation date.

It was questioned whether a licence condition should be drafted to obligate the transporters to implement the Nexus modification requirements in line with Industry requirements & expectations. Ofgem did not support this and stated that in the absence of a programme plan or evidence to support a plausible implementation date, a licence condition requiring a particular implementation date would not be desirable. Were that evidence to become available, then such a proposal may have merit

The subject of industry testing was raised and Xoserve shared their recent experience of the Gemini Re-Platforming Project (GRP) and the difficulties in persuading parties to participate in testing activities in a timely manner. It was suggested that as no one organisation can operate in isolation, a modification could be considered to obligate all shippers with a portfolio to participate in an industry testing event. The group supported this suggestion and Xoserve will consider how to take this forward.

It was raised that, following the learnings from mod 430, any SPAA implications need to be considered. It was agreed that this should be directed to PNUNC for an SPAA impact review.

Sharon Johnson and Angela Love left the meeting.

## **5. Key Industry Risks**

Xoserve described their view of some key industry risks with the overall change programme, with particular focus on the bandwidth of the industry to absorb EU, SMIP and Nexus changes in a short period of time and the wisdom of the go live for such significant change being targeted for the start of the winter period.

In addition Xoserve highlighted the risk of not yet fully understanding the impacts of the Nexus modifications on the Gemini system explaining the full extent of the changes to Gemini would not be known before Q2 2014.

NGGT reiterated their priority of delivering EU requirements in 2015 and being unable to fully support other changes during 2015 until they were aware of the full impacts of both EU and Nexus requirements on the Gemini system.

The suppliers within the group again reiterated their priority of the Nexus modification requirements being delivered in autumn 2015 which will deliver significant benefits to the industry. The group queried the benefits of the EU requirements and believed the dates for EU change in 2015 were not yet fixed. NGGT highlighted they expected the 2015 dates for EU changes to be fixed shortly.

The suppliers stated that although the dates for EU change were published they were not fixed or certain at this point in time and therefore to use these in decisions being made today was not the best option.

The group then discussed the possibility of including an implementation date within the Nexus modifications. It was felt that if the date was included in the modification it was clear for all parties, although there was a possibility if an individual party was not supportive of the implementation date they would give only qualified support for the modifications.

The group discussed whether it would be better to target autumn 2015, acknowledging that this date would present risks that would not be fully understood until after feedback from the UKLP bidders and an impact assessment of EU and Nexus changes on the Gemini system, or at this stage, to target spring 2016, which might present a lower risk of change. The context of Ofgem's letter to GDNs requesting change for 2015 was discussed; it was understood to have been aligned to DCC Go Live, then targeted for 2014, given that this had been deferred by a year, did the same drivers apply?

The group agreed that on balance the implementation date should be set in the Nexus modifications as "1<sup>st</sup> October 2015 unless otherwise agreed by UNCC" or similar, acknowledging that the UNCC's scope may need actively to include IGT considerations. In setting this the group understood that the completion of analysis on the impacts of both the EU and Nexus requirements on the Gemini system were not yet known and could impact the ability to implement Gemini impacted elements of the Nexus modifications in October 2015. The group agreed that if this conflict was realised, preserving an iGT Agency Services implementation in October 2015 with a back stop of April 2016 for the rest of the Nexus modification requirements would be desirable.

It was acknowledged that to achieve the groups' aspiration on timescales, certainty and stability of the requirements was essential with new modification changes being kept to a minimum to avoid impacting the delivery programme.

The group also recognised the need for monitoring of individual industry party readiness for go live and discussed how this could work. The group debated the options of having a 3<sup>rd</sup> party auditor in place to ensure each organisation's readiness with RGMA having used this approach. The group also discussed whether this should be an audit or self certification within an industry wide implementation forum and agreed it needed further consideration.

## **6. UK-Link Programme Update**

An update on the current status of the programme was given by Xoserve. Xoserve highlighted that Logical Analysis was continuing with Level 3 process modelling complete and Level 4 continuing until January 2014. Xoserve has partnered with Cap Gemini to deliver Logical Analysis and the project team is made up of a combination of Cap Gemini consultants, Xoserve Project resources and SME's which have been released from the business to work on this phase of the programme.

Xoserve reported that work has also been taking place to understand the transition options for the UK-Link Programme and detailed the two high level options of a single functional release (whereby iGT services could be implemented before, during or after the release) or a phased release where the functionality is implemented in several releases over a longer period of time.

Xoserve were keen to understand any preferences or constraints the group have with regard to the transition approach for the programme.

The group reiterated their priority to implement iGT Agency Services and would not support its implementation after a main functional release. The group also questioned how a phased implementation would work in practise as the functionality is linked. The group did not have any further constraints and were supportive of a single functional release.

## **7. Review of Actions**

Action 1906-01: The group agreed there were no further changes to the Terms of Reference which had been circulated.

Action 1906-02: Xoserve will work with Scottish Power and Npower to define the appropriate level of plan for the industry

Action 1906-03: Xoserve presented their view of the scope of UK-Link Committee and PNUNC, which topics would be discussed at each and who should typically attend each group. Xoserve presented UK-Link Committee attendees as typically IT resources which was challenged by the group. It was agreed that each organisation should send who they felt most appropriate and they would liaise with the relevant IT/business resources within their organisations.

## **8. Next Meeting**

The proposed dates for the next meetings are:

Tuesday 4<sup>th</sup> February 2014 in Solihull  
Tuesday 17<sup>th</sup> June 2014 in Solihull