

Project Nexus Workgroup Minutes
Wednesday 08 January 2014
at Consort House, 6 Homer Road, Solihull B91 3QQ

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Lorna Dupont (Secretary)	(LD)	Joint Office
Alan Raper	(AR)	National Grid Distribution
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andrea Varkonyi	(AV)	first utility
Andy Miller	(AM)	Xoserve
Brian Durber	(BD)	Waters Wye Associates
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON UK
Ed Hunter	(EH)	RWE npower
Elaine Carr*	(EC)	ScottishPower
Huw Comerford	(HC)	Utilita
James Rigby	(JR)	RWE npower
Jonathan Kiddle	(JK)	EDF Energy
Kathryn Allen	(KA)	RWE npower
Leigh Chapman	(LC)	first utility
Lorna Lewin	(LL)	DONG Energy
Mark Jones	(MJ)	SSE
Michele Downes	(MD)	Xoserve
Robert Cameron-Higgs*	(RCH)	first utility
Sandra Simpson	(SS)	Xoserve
Steve Mulinganie	(SM)	Gazprom

* *via teleconference*

Copies of all papers are available at: www.gasgovernance.co.uk/nexus/080114

1. Introduction and Status Review

1.1. Review of Minutes

The minutes of the previous meeting were accepted.

1.2. Review of Actions

1001: With regard to UNC Validation Rules – a) Xoserve (AM/MD) to consider the perceived validation issue and produce scenarios; and b) all Shippers to review the document and report back with views/comments.

Update: See 3.1.6, below (including minor revision to action). Revised document and comments to be reviewed 05 February 2014. **Carried Forward**

1103: Joint Office (MB) to add a new agenda item for further consideration of the Uniform Network Code Validation Rules at the 08 January 2014 meeting.

Update: Item added. **Closed**

1105: Look to set up a discussion between interested parties to ascertain what Gemini costs have, or have not been allowed for and to come back to the Workgroup with a view on any potential future incremental Gemini funding arrangements.

Update: Ofgem representative not present; no update available. **Carried Forward**

1201: All to submit comments on the RAID log spreadsheet and items to test the scoring mechanism.

Update: See 3.1.1, below. **Closed**

1202: All to review the project timeline and provide any comments for Xoserve consideration before 08 January 2014.

Update: SS reported one response had been received. CB confirmed that her IT colleagues were happy with the position. **Closed**

1203: All to submit items for the Transitional Topics Register.

Update: MD reported that none had been received to date, and requested that this action remain open. **Carried forward**

1204: Xoserve to consider increasing the read submission capacity to facilitate the pre-population of read data.

Update: AM confirmed there was plenty of capacity, the issue concerned peaks. It was believed that the existing capacity could cope and AM encouraged all Shippers to submit as many reads as they can but with the aim of achieving a flatter load profile and not as a bulk upload. Particular peaks had been identified on Mondays. CB voiced concerns regarding more pressure on churns. AM confirmed there should be no problem with the submission of opening reads. AM reiterated there should be no problem providing Shippers did not store up reads for a Monday submission but were willing to submit across the days. Current assessment indicates plenty of capacity is available. **Closed**

AV asked what happens to a read that passes the threshold and rolls over to the following day how is it treated, what day is it being recorded against? AM advised that reads that roll over are not lost but processed on the next day. However, he agreed to check on the position and report back to the Workgroup.

NEW ACTION NEX0101: *Read Submission and treatment* – Xoserve to confirm how a read which passes the threshold and rolls over to the following day will be treated.

1205: Xoserve to provide WAR Band statistics for further consideration.

Update: MD gave a presentation. The proposed process was explained; Shippers questioned what should happen if a read needed to be appealed and suggested that an opportunity to appeal should be available. There was a discussion on how reads were corrected and the purposes for which the reads were used. AM believed that the same principles should be used for all downstream processes. However, Shippers felt that they needed an opportunity for correction within a reasonable amount of time.

Scenarios were discussed and how various circumstances could contribute to 'incorrect' read information. MD suggested that a route to amend through the AQ correction process could also be used for a WAR Band (for exceptional scenarios). Shippers were concerned to retain flexibility to be able to address errors. MD noted these concerns and proposed to add this and the solution to the RAID log.

MD questioned if the BRDs should be amended/updated to reflect new modifications as they are raised. This was briefly discussed. It was felt that as they are key documents they should be versioned so a reader could establish the exact position. BF explained the BRDs were not under formal governance. CB suggested capturing any decisions on the RAID log and including references to updated versions of the BRDs on this.

BF summarised that the Workgroup had agreed at previous meetings that the BRDs are frozen until the current Project Nexus modifications have gone through the process. However, it was understood that issues arise and the BRDs may need to be amended later though this may mean the legal text is impacted and a new modification may need to be raised. **Closed**

2. Workgroups

2.1 Workgroup 0473 – Project Nexus – Allocation of Unidentified Gas

The Workgroup Report is due to Panel on 19 June 2014.

Minutes of this meeting are available at www.gasgovernance.co.uk/0473/080114.

3. Issues and topics for discussion

3.1. High Level Workgroup Issues

3.1.1. RAID Log

The RAID log was reviewed, with MD giving an explanation of RIS001 and ISS001. Believing this to be too narrow in its focus, SM suggested that a broader risk should be raised relating to EU developments. The Transmission Workgroup were considering and developing a number of modifications relating to EU requirements for change. What other system changes were required would need to be understood by Project Nexus Workgroup so these could be scheduled and managed appropriately. SS reported that she was trying to obtain a high level view and this might be available by the end of March. MD added that she would change the date to be consistent in the Plan to reflect this.

MD reiterated that any party could raise risks/issues/assumptions, etc. SM indicated that he would provide some additional items extracted from representations made by Gazprom to recent modifications. AM requested that any submissions adhere to the guidance set out at the front of the RAID log spreadsheet. A blank template would be provided so that parties can make their individual submissions.

BF drew attention to the new web location on the Joint Office website, where this and other appropriate Management Documentation would be retained:
<http://www.gasgovernance.co.uk/nexus/ManagDoc>

3.1.2. Project Plan

There was no further update. A revised document is due at the end of January and will be published under 'Management Documentation' at:

<http://www.gasgovernance.co.uk/nexus/ManagDoc>

3.1.3. BRD Updates

To be updated following conclusions of Modifications 0432 and 0434.

3.1.4. Funding Arrangements

No update; for future consideration.

3.1.5. Transitional Arrangements

The Register will be published under 'Management Documentation' at:

<http://www.gasgovernance.co.uk/nexus/ManagDoc>

MD gave a brief presentation outlining the proposed approach as to how transitional issues will be raised and how solution options would be analysed and agreed.

Topics will be identified by industry and recorded by Xoserve on the Business Change Analysis (BCA) register. Xoserve will perform initial analysis and propose initial, high level solution options based on the information available. Options (including agreement of principles and business rules) will then be developed and refined through the Project Nexus Workgroup.

AM suggested that supporting workgroups may be required to further understand the lower level detail of some topics to ensure options and recommendations are feasible. Agreed options will then be documented and published. Specialist knowledge might be required to be brought to these meetings to facilitate the development of modifications.

SM raised concerns that decisions might be taken that affected the commercial interests of parties, and stressed that 'ratification' of any solutions developed outside of the main Project Nexus Workgroup should take place within the confines of the main Workgroup. AM countered the description of the additional workgroup meetings as being different to Project Nexus Workgroup – the meetings would be the same Workgroup but may require attendance by parties who were more knowledgeable about a particular subject. It was suggested that the frequency of Project Nexus meetings be increased to twice monthly. MD responded that all decisions would be documented and visible.

MD then gave an overview of the high level plan. Any new transitional items will go through this process. EC voiced concerns relating to the timescales and the ability of Shippers to field appropriate specialist resources to attend meetings, and requested an early indication of what is to be covered in each meeting. MD noted this.

AM indicated that topics would be likely to cover invoicing and SPA, RbD removal, AQ, allocation and reconciliation, change of Supplier, Customer transfer, etc. Any other suggestions would be welcomed.

MD then explained the next steps. BF observed that it was likely to be a similar approach to developing the BRDs, with as much notice given as possible so that arrangements can be made for the most appropriate representatives to attend. MD will consider the prioritisation of the importance of topics.

3.1.6. Uniform Network Code Validation Rules

A draft had been published for review. MD gave a presentation in response to action **NEX1001a** (With regard to UNC Validation Rules – a) Xoserve (AM/MD) to consider the perceived validation issue and produce scenarios), and described various scenarios. If a read fails the market breaker it can be addressed through the AQ correction route. Shipper scenarios were discussed in greater detail. AM observed that reads would flow providing Shippers have properly addressed the AQ positions.

Scenario 1 - AQ=1: SC commented that she had received a large number of rejections. It was noted that Aqs should be as accurate as possible, and tolerances are quite wide. This individual experience was briefly discussed, and SC and MD agreed to consider

the issue offline. SM commented that large volumes through the process might mean that tolerances require reviewing.

The other scenarios were briefly explained. The scenarios were seen to be appropriate, but it was recognised that tolerances need a full analysis to be performed.

Referring back to action NEX1001b) MD requested that all Shippers to review the revised document and look at the tolerances for Class 4. Comments should be submitted to MD before the next meeting on 05 February 2014. Action NEX1001 was revised:

Revised Action NEX1001: *UNC Validation Rules* – All Shippers to review the revised document and the tolerances for Class 4 and report back to Xoserve with views/comments by 27 January 2014.

3.1.7. Performance Assurance

No update.

3.2. New Issues

None.

4. Any Other Business

None.

5. Diary Planning

The following meetings are scheduled to take place during 2014:

Time/Date	Venue	Workgroup Programme
10:30 Wednesday 05 February	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull B91 3QQ.	To be confirmed
10:30 Tuesday 18 February	Consort House, Princes Gate Buildings, 6 Homer Road, Solihull B91 3QQ.	To be confirmed
10:30 Wednesday 05 March	Solihull	To be confirmed
10:30 Wednesday 19 March	Solihull	To be confirmed
10:30 Wednesday 02 April	Solihull	To be confirmed
10:30 Tuesday 15 April	Solihull	To be confirmed

10:30 Monday 12 May	Solihull	To be confirmed
10:30 Wednesday 04 June	Solihull	To be confirmed
10:30 Wednesday 18 June	Solihull	To be confirmed
10:30 Tuesday 08 July	Solihull	To be confirmed
10:30 Tuesday 22 July	Solihull	To be confirmed
10:30 Monday 11 August	Solihull	To be confirmed

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
NEX1001 (REVISED)	30/10/13 08/01/14	3.2.1 3.1.6	UNC Validation Rules – a) Xoserve to consider the perceived validation issue and produce scenarios; and b) UNC Validation Rules – All Shippers to review the revised document and the tolerances for Class 4 and report back to Xoserve with views/comments by 27 January 2014.	Xoserve (AM/MD) ALL Shippers	Completed Carried Forward
NEX1103	07/11/13	3.1.3	Add a new agenda item for further consideration of the Uniform Network Code Validation Rules at the 08 January 2014 meeting.	Joint Office (MB)	Completed
NEX1105	07/11/13	2.1	To look to set up a discussion between interested parties to ascertain what Gemini costs have, or have not been allowed for and to come	Ofgem (JD)	Carried Forward

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			back to the Workgroup with a view on any potential future incremental Gemini funding arrangements.		
NEX1201	04/12/13	2.1.1	All to submit; comments on the RAID log spreadsheet and items to test the scoring mechanism.	All	Closed
NEX1202	04/12/13	2.1.3	All to review the project timeline and provide any comments for Xoserve consideration before 08 January 2014.	All	Closed
NEX1203	04/12/13	2.1.6	All to submit items for the Transitional Topics Register.	All	Carried forward
NEX1204	04/12/13	2.1.6	Xoserve to consider increasing the read submission capacity to facilitate the pre-population of read data.	Xoserve (AM)	Closed
NEX1205	04/12/13	3.1	Xoserve to provide WAR Band statistics for further consideration.	Xoserve (AM)	Closed
NEX0101	08/01/14	1.2	<i>Read Submission and treatment</i> – Xoserve to confirm how a read which passes the threshold and rolls over to the following day will be treated.	Xoserve (AM/MD)	Pending