

IGT039 #14 Minutes

1) Present:

Naomi Anderson*	(NA)	EDF Energy
Colette Baldwin	(CB)	E.ON UK
Mike Berrisford	(MB)	Joint Office of Gas Transporters
Andrea Bruce	(AB)	Scottish Power
Martin Connor	(MC)	National Grid NTS
Jon Dixon*	(JD)	Ofgem
Bob Fletcher	(BF)	Joint Office of Gas Transporters
Gethyn Howard	(GH)	Inexus
Anne Jackson	(AJ)	SSE
Tabish Khan	(TK)	British Gas
Steve Ladle	(SL)	Gemserv
Lorna Lewin	(LL)	DONG Energy
Andy Miller	(AM)	Xoserve
David Mitchell	(DM)	Scotia Gas Networks
Grahame Neale	(GN)	National Grid Distribution
Paul Orsler	(PO)	Xoserve
Trevor Peacock	(TP)	Fulcrum
Adam Pearce	(AP)	ES Pipelines
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Grace Smith	(GS)	NPower
Chris Warner	(CW)	National Grid Distribution

2) Actions

- 1) IGTs to individually complete the costing matrix - *completed*
- 2) SL to send GH the link to the Xoserve costing analysis conducted as part of the funding, ownership and governance review - *completed*
- 3) AM to review services matrix to determine whether equivalent costs under approach 2 can be calculated – *carried over*
- 4) JD to look into various licence approaches for SSP and provide an update at the next meeting – *carried over (in progress and JD will circulate email with the next week).*

3) NEXUS Update

AM summarised that Xoserve has commenced the detailed logical analysis phase. In response to a question from AJ, AM advised that Xoserve were using a target planning date of September 2015 (for NEXUS as a whole) in order to engage with potential vendors for the design, build and implement phase. A target date is needed for the vendors to work to in developing their proposals. AM commented that there may be a phased implementation of NEXUS but will be discussed with the industry to enable all parties to feedback on their preferred approach. AM also confirmed that the requirements should be stable now.

AM also commented that there will also need to be a migration database for SSP and noted that this was to be discussed further at this meeting under agenda item 5.¹

4) Funding Discussion

GH provided an overview on the background on why the IGT costing matrix had been pulled together and the funding approaches that were currently available to progress SSP funding discussions. JD then took the group through the slides he had prepared which summarised the aggregated costs for IGTs as well as general observations and inconsistencies.

The headlines were as follows:

- £155k net benefits to IGTs resulting in 10p per supply point contribution.
- There are various Inconsistencies in the approach taken by IGTs:
 - *Read Activities – could be stripped out of scope.*
 - *SSP Change/Contract Manager – Needs review*
 - *IX connection – not sure if this will need to be included due to smart.*
 - *SCOGES – Xoserve will carry this out so costs will disappear.*

Taking the above areas into consideration, IGTs agreed to review their approach to the above areas of concern with the aim of improving the accuracy of the cost neutral approach.

Action – IGTs to review approach to matrix inputs and provide update at next meeting.

There was a general acknowledgement by the group that the cost neutral approach will result in a net benefit to the industry. It was suggested that it could be “locked down” that there is at least one positive case which could allow the mod to progress to focus on governance i.e. licences and code drafting. GH commented that though this positive case will be noted, the work group will still need to look into the “revenue neutral” approach and the open action on the matching of services under the matrix will allow this to progress.

There was concern around how to carve out 047 issue of IX connection and funding. AP confirmed current approach is that IX is funded by Shippers until SSP is introduced. AJ raised concern that current shipper funding of IX connection would not provide a level playing field for new IGT market entrants. There were differing views as to whether this was an issue and AM suggested that this issue could be developed under licence drafting. JD commented there are various ways to do this such as via SPAA and any drafting approach is very fluid at this stage.

5) Testing Arrangements/Migration Database

AM commented that there are around 1,500,000 IGT supply points, 40,000 CSEPs, of which 4,500 are nested CSEPs to be migrated into the migration database. It will therefore be a major project to integrate this data across into SSP and Xoserve have been analysing this for a while which is increasingly becoming the focus of Xoserve’s work for SSP.

AM commented that there would be a period of around 12 months where the data will be prepared and held in the migration database before going live in SSP. It was noted that this 12 month period would also be used

¹ Note there was an error with the listing of the agenda items. The listing in the minutes represent the correct agenda numbering.

for data cleansing. AM highlighted that under SSP, there will be impacts on flows as will have new mapping approaches, data items and changes to data flows so there may be quite a large impact on Shippers. This therefore raises the importance on the migration database.

AM raised the issue that funding was not in place for the migration database and that there is no governance which would require IGTs to participate though it was noted that this could possibly be mandated via the CSEP NExA. AM confirmed that the high level estimate for the migration database could be in the region of £400k-900k which also included the work that will be undertaken for to manage the data flows to and from the database and the liaison with Shippers, iGTs and GTs i.e. not just the database itself. This wasn't accounted for under NEXUS budget as was based on GDN facing data and not IGT but could be included as a user pays mod. JD asked if there is scope to include this in the UNC0440 as will allow the costs to be justified against the changes as may struggle if taken as a standalone mod. AM confirmed the additional cost will be included in the NEXUS CBA with reference to the future modification as the means of delivery of the migration database.

It was noted that it was expected that IGTs would provide file of all data to Xoserve but the migration database would not be a live operational database. Therefore Shippers will continue to interact with IGTs as per now.

Action – all parties to provide views on migration database funding and modification.

AM also raised the question as to whether it would be possible for the industry to place CoS events on hold during the cut over to SSP for a period of around 3 weeks which could be achieved via a modification to the IGT UNC. AM acknowledged that there were potential problems with such an approach including negative consumer experience, restricting competition in supply etc. AM confirmed this would need to apply to all IGTs at the same time rather than staggered by IGT but welcomed other thoughts and views on this matter.

Post meeting addition by AM – the matter under consideration is the “in flight” change of supplier events. A change of supplier event could start on an IGT system and end in the Xoserve system. Xoserve is considering how to manage such events, a change of supplier event “freeze” is one option being considered, but it is not essential.

Action – all parties to consider restriction of CoS activities.

6) AOB

There was no AOB.

7) Next Steps

0440 – legal drafting walk through at Ofgem early October

Pencilled in 17th September for 039 on the back of 0440.

Actions:

- 1) AM to review services matrix to determine whether equivalent costs under approach 2 can be calculated.
- 2) JD to look into various licence approaches for SSP and provide an update at the next meeting.
- 3) IGTs to review approach to matrix inputs and provide update at next meeting.
- 4) All parties to provide views on migration database funding and modification.
- 5) All parties to consider restriction of CoS activities.

DRAFT