

**UNC Workgroup 0565 Minutes**  
**Central Data Service Provider: General framework and obligations**  
**Wednesday 05 October 2016**  
**Consort House, 6 Homer Road, Solihull B91 3QQ**

**Attendees**

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Andrew Jones*	(AJ)	KMPG
Andrew Meaden	(AM)	Dentons
Chris Warner	(CWA)	National Grid Gas Distribution Ltd
Charles Wood	(CWO)	Dentons
Colette Baldwin	(CB)	E.ON
David Turpin	(DT)	Xoserve
Gareth Evans*	(GE)	Waters Wye Associates
Gethyn Howard	(GH)	Brookfield Utilities
Gregory Edwards	(GE)	British Gas
Jeremy Guard*	(JG)	First Utility
Martin Baker	(MB)	Xoserve
Michael Walls	(MW)	ES Pipelines
Richard Pomroy	(RP)	Wales & West Utilities
Sean McGoldrick	(SMC)	National Grid NTS
Sue Hillbourne	(SH)	Scotia Gas Networks
Steve Mulinganie*	(SMU)	Gazprom

\*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0565/290916>

The Workgroup Report is due to be presented at the UNC Modification Panel during November 2016.

**1.0 Introduction and Status Review****1.1. Approval of Minutes (29 September 2016)**

The minutes of the previous meetings were approved.

**2.0 Change Management Procedures**

CWO provided a copy of the DSC Service Document – Change Management Procedures and highlighted the changes made. CWO provided an explanation / interpretation for each section amended to clarify the intent of the change.

RP enquired under section 4.6.8, about the first committee meeting and the consideration of change proposals. It was confirmed 5 days notice is required to include agenda items and if less than 5 days notice is available, the change proposals would be rolled over to the next committee meeting.

SMC challenged section 4.8.5 where it appeared to refer to the Joint Office directing change proposals. SMC asked about the link between modifications and the DSC change proposal, as the change proposal would require significantly more technical information than can be provided by the Code Administrator for example. He suggested the proposer and not the Code Administrator should progress the change proposal. The Workgroup considered the submission of change proposals and the reference that the Code Administrator would submit the change, SMC expressed concern that the Joint Office would not have the right expertise.

CWO explained there should be one trigger for the change and this ought to be a UNC

modification. The workgroup considered the role of the committee in terms of coordinating with the UNC Modification process and how this would filter through to the systems evaluation, he suggested that the committee ought to manage changes particularly Gemini changes.

CB explained how the code administrator manages changes to ECCO for example and that it is not unusual for the Code Administrator to undertake this activity in other Codes.

SMu was concerned that there could be a different approach and this would impact consistency when changes were being evaluated or discussed. He wanted the same approach for all changes.

The Workgroup considered having special arrangements for Gemini Changes, although CWo suggested the trigger ought to be central through the Code Administrator and the proposer for example could prepare the change proposal with the Code Administrator sending it.

CB concurred that it would be right to look at special arrangements for change modifications for Gemini to ensure a person with the right expertise writes the change order/modifications.

DT suggested that the Code Administrator would only need to extract the information from the modification and the CDSP could add the necessary detail to allow the change to be assessed. He explained how the process works at the moment and that change orders and technical solutions are written by experts in that area.

It was concluded that for Gemini Changes a different process might need to exist.

DT believed the ROM process might need to be defined more clearly to ensure UNC Modification delivery is achievable.

CWo suggested the ownership of delivery should reside with the Code Administrator as a communication route. However, SMc was keen that there should be no inefficiency and that implementation should reside with Transporters to ensure priorities were managed.

The Workgroup considered the communications required to liaise with implementation dates. CB asked about the change committee and that it should have an input into the implementation date. CWa explained all considerations would be taken into account as part of the modification process and the committee prior to setting an implementation date. However, CB was concerned that the wording in 4.8.5 suggested that the Transporters would determine the implementation date. CWa explained that Transporters might have licence and legal obligations to manage implementation dates for certain modifications and for these reasons they would continue to manage the implementation date.

CWo explained certain drivers have to be taken into account for example EU law and certain factors may drive dates, which all need to be considered. GH enquired about the committee's right to appeal a date if it was unachievable or another change should be prioritised. CWa suggested as now, readiness will be considered for implementation dates but ultimately each party is responsible for driving the actual date. RP suggested that the wording could be amended to add some further clarity.

The Workgroup considered the wording in section 4.8.8 and the interpretation of timely changes. It was considered that this relates/refers to a change which has been agreed and that the CDSP and committee should not unnecessarily delay changes.

DT provided a number of flow diagrams/charts to explain the flow process and confirmed that these would be updated to reflect the changes made to the DSC Service Document provided today.

### **3.0 Modification Rules**

CWo reviewed the proposed changes to the Modification Rules and how these would include/incorporate the CDSP.

CWo explained some Transporters functions in relation to the UK Link processes are currently discharged through the ASA and this needs to be changed to refer to the CDSP and DSC Change Management Committee.

The interaction with the UNC, DSC and CDSP were outlined in section 12.12.

#### 4.0 Charging Methodology

CWo provided the DSC Service Document - Budget and Charging Methodology.

CWo explained that the changes made essentially were to fill in gaps and to clarify/add missing rules but that these do not change how the methodology works.

GH asked about the recovery of costs from the different pots of money by constituency and how it will build up. MB explained the concept, in that the change budget will be set at the start of the year and will be made up of anticipated items, each having a funding model, and this provides a basis for charges. The change committee in practice would be responsible for the change budget, using an average funding mechanism to allocate costs for recovery of any monies that have not yet been set aside and it will have a true-up and will be allocated back if funds are not fully used.

The workgroup considered where the Panel requests a cost estimate and that following its provision the change is not implemented, how would the costs of an early evaluation be recovered. It was agreed that these would be socialised.

GH enquired about the socialisation of costs where iGTs have no involvement in some arrangements. He challenged certain costs being socialised e.g. such as balancing administration and where iGTs will not have the ability to recover certain costs through an allowance value. It was clarified that iGTs would incur certain costs for being party to the DSC as would other parties and where these were not specific service costs, recovery would be based on all constituencies contribution to the costs.

GH was concerned about the socialisation of costs for changes that require a cost estimate over and above a ROM where the modification would have no impact on iGTs and therefore they would not be able to recover their costs.

SMu suggested that this was a general cost all needed to contribute to in order to gain from the use of central systems where all would benefit from administration efficiency.

MB explained the use of constituencies. He explained that the risk to iGTs would be minimal. However, the cost for providing an early cost estimate which has been accelerated at the recommendation of the UNC Panel which may need to be abandoned still needs to be accounted for and these costs would need to be socialised. MB confirmed that the share of this cost would be lower for iGTs taking into account the apportionment rules. However GH was still concerned that the cost of socialisation may have been for a change with no direct involvement for iGTs. It was noted that there had been one example where a cost estimate had been requested by Panel in recent years and that most participants considered it to be a non-material risk.

The Workgroup considered budget appeals and the period allowed for customers to raise an appeal. MB explained the purpose of section 4.7.2

CWo explained that before an appeal on the budget can be raised an objection would have to have been submitted. It was clarified that an objection submission can be raised within 20 business days of each draft. The Workgroup considered the restriction could in effect prevent a party raising an appeal if they have not previously raised an objection. CB was particularly concerned about smaller shippers who may not be able to dedicate a resource to raise an objection and then miss out on the opportunity to submit an appeal.

The Workgroup considered if an element of discretion could be incorporated

CWo explained the effect of a 20 day window and if a party has not seen a draft and been provided with 20 days to consider it before the budget is finalized, parties would have the right to appeal the final budget. CWo agreed to consider the wording to ensure the concept has been clearly captured.

GE enquired about the ability to appeal the budget based on the schedule of changes not necessarily the monetary value. CWo didn't want to shape what can and cannot be appealed

and that the authority will consider the appeals accordingly.

CB recapped over the objection process and appeal process. MB explained the effect of the objection concept at each draft budget would assist with forewarning of potential issues and avoid surprise appeals at the final version.

SMc enquired what share of none Gemini core would be attributed to National Grid NTS. MB explained, based on data in January 2016 and excluding the Gemini costs, NTS is expected to share the general infrastructure work and this would be around 6-7% proportion of non-Gemini costs.

The Workgroup discussed the annual calculation and the rolling over of charges. CB asked about the monthly charging share, the significant swings in market shares and the apportionment of costs. She also enquired about the reconciliation process. DB confirmed that charges would be apportioned based on a Shipper Share and a Portfolio Snapshot of Shipper portfolios would be taken each month. For DNs / iGTs the market share would be taken once a year at a commonly agree date.

SH asked about the option to smooth charges rolling it over the next year and taking the portfolio count at the beginning of the period then a count at the end to smooth the charges monthly.

## 5.0 Consideration of Workplan Topics

The Workgroup did not discuss or review the Work Plan in this meeting.

## 6.0 Review of outstanding actions

**0565/0901:** Xoserve to review and consider providing a draft or sample Business Continuity Plan as a DSC supporting document.

**Update:** Closed at 03 October meeting. **Closed**

**0565/0907:** RP Wales & West Utilities to arrange for FGO to be added to the SPAA agenda in relation to communication schedules for the October Meeting.

**Update:** RP confirmed a request had been submitted for an item on SPAA agenda. **Closed**

**0565/0908:** CWa National Grid Distribution to investigate whether the CDSP would act as an agent for Transporter when receiving an update to the C&D Store from a meter installer.

**Update:** Deferred until 26 October 2016 meeting. It was anticipated that C&D regs are likely to disappear under the Central Registration. **Carried forward**

**0565/0909:** CWa National Grid Distribution to reflect on the process regarding data flows and meter reading in reference to Modification 0455.

**Update:** Deferred until 26 October 2016 meeting. **Carried forward**

**0565/0910:** CWa National Grid Distribution to look at the UK Link User Agreement in relation to what it requires existing Trader Users to sign up to.

**Update:** Deferred until 26 October 2016 meeting. **Carried forward**

**0565/0911:** CWa to arrange for a draft UK Link User Agreement to be made available for review.

**Update:** Deferred until 26 October 2016 meeting. **Carried forward**

**0565/0912:** Shippers to provide feedback regarding if they want this retained as a Transporter function (Transporter obligations - UK Link User Agreement)

**Update:** Deferred until 26 October 2016 meeting. **Carried forward**

**0565/1001:** Xoserve (MC) to publish the DSC Credit Rules by close of play on Friday 14 October 2016.

**Update:** New Action from 03 October 2016. Deferred until 26 October 2016. **Carried forward**

**0565/1002:** Xoserve (MC) to review the Credit Policy process, to provide clarity in respect of issuing the notice to the Transporters regarding a default.

**Update:** New Action from 03 October 2016. Deferred until 26 October 2016. **Carried forward**

**0565/1003:** National Grid Distribution (CWA) to discuss with MB the area of indebtedness and how this would be linked to the Charging Methodology in relation to contractual exposure.

**Update:** New Action from 03 October 2016. Deferred until 26 October 2016. **Carried forward**

## 7.0 Next Steps

It was anticipated that work would continue as defined in the Workplan.

## 8.0 Any Other Business

None raised.

## 9.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Time/Date	Venue	Workgroup Programme
10:00 Tuesday 11 October 2016	Elexon, 4 <sup>th</sup> Floor, 350 Euston Road, London NW1 3AW	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> <li>• Introduction and FGO framework</li> <li>• Approach to sequencing of UNC/DSC changes in conjunction with Project Nexus arrangements</li> <li>• General Terms</li> <li>• Transportation Principal Document (TPD)               <ul style="list-style-type: none"> <li>○ Section G</li> <li>○ Section H</li> <li>○ Section M</li> <li>○</li> </ul> </li> <li>• Transition Document</li> <li>• Modification Rules</li> </ul>
10:00 Monday 17 October 2016	Dentons, One Fleet Place, London EC4M 7RA	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> <li>• Framework Agreement</li> <li>• DSC Terms and Conditions</li> <li>• Credit Policy</li> <li>• Contract Management</li> </ul>
10:00 Tuesday 18 October 2016	Dentons, One Fleet Place, London EC4M 7RA	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> <li>• Services</li> <li>• Budget and Charging Methodology</li> <li>• Change Management</li> </ul>

		<ul style="list-style-type: none"> <li>• Third Party Services</li> <li>• Transitional Arrangements including financial transition</li> </ul>
10:00 Wednesday 26 October 2016	Elexon, 4 <sup>th</sup> Floor, 350 Euston Road, London NW1 3AW	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> <li>• Finalise Workgroup Report</li> </ul>
10:00 Tuesday 01 November 2016	Elexon, 4 <sup>th</sup> Floor, 350 Euston Road, London NW1 3AW	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> <li>• Finalise Workgroup Report</li> </ul>

### Workgroup 0565 (as at 05 October 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0565/0901</b>	07/09/16	2.0	Xoserve to review and consider providing a draft or sample Business Continuity Plan as a DSC supporting document.	Xoserve (AM/SG)	<b>Closed (03/10/16)</b>
<b>0565/0907</b>	29/09/16	2.0	RP Wales & West Utilities to arrange for FGO to be added to the SPAA agenda in relation to communication schedules for the October Meeting.	Wales & West Utilities (RP)	<b>Closed (05/10/16)</b>
<b>0565/0908</b>	29/09/16	2.0	CWa National Grid Distribution to investigate whether the CDSP would act as an agent for Transporter when receiving an update to the C&D Store from a meter installer.	National Grid Distribution (CWa)	<b>Carried Forward</b>
<b>0565/0909</b>	29/09/16	2.0	CWa National Grid Distribution to reflect on the process regarding data flows and meter reading in reference to Modification 0455.	National Grid Distribution (CWa)	<b>Carried Forward</b>
<b>0565/0910</b>	29/09/16	2.0	CWa National Grid Distribution to look at the UK Link User Agreement in relation to what it requires existing Trader Users to sign up to.	National Grid Distribution (CWa)	<b>Carried Forward</b>
<b>0565/0911</b>	29/09/16	2.0	CWa to arrange for a draft UK Link User Agreement to be made available for review.	National Grid Distribution (CWa)	<b>Carried Forward</b>

<b>0565/0912</b>	29/09/16	2.0	Shippers to provide feedback regarding if they want this retained as a Transporter function (Transporter obligations - UK Link User Agreement).	All Shippers	<b>Carried Forward</b>
<b>0565/1001</b>	03/10/16	2.4	Xoserve (MC) to publish the DSC Credit Rules by close of play on Friday 14 October 2016.	Xoserve (MC)	<b>Carried Forward</b>
<b>0565/1002</b>	03/10/16	2.4	Xoserve (MC) to review the Credit Policy process, to provide clarity in respect of issuing the notice to the Transporters regarding a default.	Xoserve (MC)	<b>Carried Forward</b>
<b>0565/1003</b>	03/10/16	2.4	National Grid Distribution (CWA) to discuss with MB the area of indebtedness and how this would be linked to the Charging Methodology in relation to contractual exposure.	National Grid Distribution (CWA)	<b>Carried Forward</b>