

**User Pays User Group Minutes**  
**Monday 12 January 2009**  
**at Energy Networks Association, 6<sup>th</sup> Floor, Dean Bradley**  
**House, 52 Horseferry Road, London SW1P 2AF**

**Attendees**

|                          |    |                                   |
|--------------------------|----|-----------------------------------|
| Tim Davis (Chair)        | TD | Joint Office                      |
| Lorna Dupont (Secretary) | LD | Joint Office                      |
| Andy Miller              | AM | xoserve                           |
| Collette Baldwin         | CB | E.ON Energy                       |
| David Hayton             | DH | RWE Npower                        |
| Gareth Evans             | GE | Waters Wye for Gazprom            |
| Graham Frankland         | GF | xoserve                           |
| Helen Barratt            | HB | xoserve                           |
| James Crosland           | JC | Corona Energy                     |
| Kevin Woollard           | KW | British Gas                       |
| Lorna Gibb               | LG | Scottish Power                    |
| Richard Phillips         | RP | RWE npower                        |
| Rosie McGlynn            | RM | EDF Energy                        |
| Sharon Cole              | SC | Scottish and Southern Electricity |
| Shelly Rouse             | SR | Statoil                           |

**1.0 Introduction and Status Review**

TD welcomed attendees to the meeting.

**1.1. Minutes from the previous UPUG Meeting (08 December 2008)**

The minutes of the previous meeting were approved.

**1.2. Review of Actions from previous meetings**

The outstanding actions from previous meetings were reviewed.

**1.2.1 UPCEG (15 December 2008)**

**UPCEG007:** Provide exposition of the proposed voting rules.

**UPCEG008:** Provide worked example of the proposed voting rules.

**Update:** These had been included in the Terms of Reference and a supporting spreadsheet had been published. **Actions closed.**

**UPCEG009:** Ensure xoserve is providing sufficient information to support invoice validation.

**Update:** RP deemed this to be completed; GF would continue to monitor internally. **Action closed.**

### **1.2.2 UPUG (08 December 2008)**

**UPUG 0021:** Transporters to reconsider signing the User Pays contract and return to next meeting with reasons for their decisions.

**Update:** The Transporters were not present; no further update. **Action carried forward.**

**UPUG 0028:** xoserve to review the file/form functionality.

**Update:** Service Request Forms were still under review. **Action carried forward.**

**UPUG0050:** xoserve to investigate the account password reset requests returned as 'removed due to inactivity', and verify if there was a time restriction associated with perceived lack of use.

**Update:** AM reported that this was in evidence prior to April 2008, when parties had been advised that if any account was identified as inactive for a six month period it would be deleted; nothing else suggested it was a continuing issue.

**Action closed**

CB asked if xoserve were recycling passwords as E.ON had received some recently that had been repeated following a period of discontinuance. CB explained that, apart from not being a good idea, this was causing problems from a data history perspective. GF indicated that he understood the policy did not involve recycling and, as such, he was surprised if this was occurring.

**New Action UPUG 0056:** xoserve to clarify policy and practice on the recycling of passwords.

**Action UPUG0053:** xoserve (GF) to amend the Contract, UPUC Terms of Reference and ACS as necessary to reflect the use of a transparent development budget.

**Update:** Covered within this meeting. **Action closed**

**Action UPUG 0054:** xoserve (GF) to amend the UPUC Terms of Reference to incorporate a two step voting test.

**Update:** Completed; draft reviewed within this meeting. **Action closed**

**Action UPUG 0055:** Shippers to notify xoserve of their working requirements for the Christmas period.

**Update:** Completed. **Action closed**

## **2.0 Review of Terms of Reference**

### **2.1 User Pays User Committee**

AM explained the structure of the document, which was then reviewed and discussed section by section, with suggested amendments being noted by xoserve.

#### **Section 3.1.7**

It was agreed, for the avoidance of doubt, to add a specific exclusion relating to the Transporters being unable to vote – mirroring the avoidance of doubt approach adopted for the drafting regarding consultants/advisers.

#### **Section 6.2**

Views were sought on the concept of introducing a 10 day voting period rather than all votes being concluded within a UPUC meeting. In response to questions

AM explained xoserve's rationale for the inclusion, and a lengthy discussion ensued. The meeting favoured simplicity and clarity and it was agreed to amend this section to reflect the wish for a post meeting voting arrangement. The draft would also include the publishing of a discrete email communication to Contract Managers as a prompt to indicate the opportunity to vote on a particular proposal, and indicating the date by when votes must be registered.

The phrase 'For the avoidance of doubt....' at the beginning of the last paragraph will also be removed, and 'no' is to be replaced by 'not'.

### **Section 6.3**

The use of forecast rather than actual figures was queried by KW, as was the accommodation of new Users to the services and terminated Users from the services. Following a discussion it was agreed that actual figures should be calculated at two appropriate points within the year, and that recalculation could be requested in the event of the addition of a new User/or removal of a terminated User, potentially limited to changes affecting more than 1% of the voting rights.

### **Section 6.4**

The concept of a 'qualified vote' was discussed. It was agreed that additional comments were acceptable but that, to be valid, the vote must be clearly stated to be one of acceptance or rejection.

Parties stated that they should be able to withdraw and resubmit their vote up until the end of the voting period as new information could potentially come to light and force a change of original view. It was agreed that the last sentence 'Once a User Pays Customer has voted .....' should be removed.

GE asked how a vote would be validated. AM said that a valid vote was one that was submitted by the Contract Manager or their officially appointed Alternate in an official company communication, (ie not from an individual's personal account such as [xxx@hotmail.co.uk](mailto:xxx@hotmail.co.uk), etc). In the event of a company's email failure or other untoward event xoserve would take a pragmatic view and seek to ascertain validity of the submitted vote via other means, eg telephone call to the Contract Manager.

### **Section 6.5**

xoserve will publish a summary table and include any additional comments made by voting respondents, unless the additional comments are clearly marked confidential – registered votes will always be publicly available.

### **Section 6.7**

Add '...of the Contract'.

At this point in the review TD asked if all present were clear on what to expect in relation to the voting process and received an affirmative response.

### **Section 7.5**

Add 'Such terms may include any proposed revisions .....

### **Section 7.7**

Remove '~~....Days (or any other period as agreed by a simple majority of Voting Members at the UPUC meeting where the proposal was presented)~~ from .....

### **Section 7.11**

Parties were not comfortable with the concept of xoserve as Service Provider possessing a 'blocking' vote; this appeared to be a disproportionate level of influence. After discussion it was agreed that the section would be redrafted with the same voting rules as previously applied.

It was agreed that the Terms of Reference should be updated to reflect the changes discussed.

**Action UPUG 0057: xoserve to update the UPUC Terms of Reference to reflect the changes agreed.**

RM referred to the need to retain alignment between the Contract and SPAA obligations. This had been flagged up as a risk during SPAA meetings, and RM extended an invitation to xoserve to attend a meeting to see what action may be required in this respect.

## **2.2 User Pays Contract Expert Group**

The draft document was reviewed and discussed section by section, with suggested amendments being noted by xoserve in addition to generic changes as already discussed for the UPUC Terms of Reference..

### **Section 6.1**

Add ‘...or Alternate...’.

Amend ‘..full legal drafting ...’ to ‘.....full draft legal text drafting...’.

### **Section 6.4**

Amend to ‘... may be convened within the twenty (20) Business Day consultation and voting period. ~~but with not less than five (5) Business Days’ notice and with not less than ten (10) business Days of the consultation and voting period remaining.’~~

### **Section 6.10**

It was understood that failure to sign would be a breach of contract.

### **Section 7.7**

This would be redrafted to reflect the appropriate voting requirements.

At this point in the review TD asked if all present were clear on what to expect in relation to the voting process and received an affirmative response.

It was agreed that the Terms of Reference should be updated to reflect the changes discussed.

**Action UPUG 0058: xoserve to update the UPCEG Terms of Reference to reflect the changes agreed.**

## **3.0 User Pays Non-code Contract Update**

GF gave an update, and reminded the group that any final comments should be submitted to xoserve by 30 January 2009. Depending on the comments received from various parties, it was the intention to issue the Contract for signature in February. The parties were happy with the timeline proposed and a go-live date of 01 March 2009.

## **4.0 ACS Review**

GF reported that xoserve had started the review and urged parties to respond as soon as possible in respect of their potential usage, if they had not already done so. The timeline was explained and it was recognised that this would be quite tight.

At the next UPUG meeting (09 February 2009) xoserve intend to talk through the documentation, explain the prices, and assess the position in terms of cost revenue, etc.

The implications of Modification 0192 and 0213V were discussed. RM explained the changes associated with 0213V. It was recognised that the Transporters would probably find it easier to make all the ACS changes on 01 April. However, while making both sets of changes (0213V and the annual review update) at the same time would be good, there was no compulsion to link them together.

## 5.0 Performance Update

GF reported that all performance indicators were green. However, there were still performance issues in respect of IAD Accounts creation and HB said that xoserve recognised that performance levels in this area were unacceptable. Work continues to be done to remedy this. Meetings have been held with the service provider and improved reporting has been put in place so that problems can be more readily identified and addressed.

LG asked if reporting could include all password resets, as Scottish Power were still recycling accounts and requesting password resets so that new staff could utilise accounts relinquished by leavers.

CB commented that there had been a problem with account creation requests that been returned without action; apparently there had been a communication problem but this now appeared to be resolved.

RM commented that there appeared to be a mismatch of information as to who is authorised to do things, between that held by xoserve and that held by CSC/National Grid Security Team. This may indicate a wider issue. GF responded that he was aware of an historic issue whereby new staff members and shift teams at changeover times were not fully briefed/receiving correct communications etc, but this had been addressed. RM questioned whether it was clear to CSC which mailboxes they had access to - RM had experienced issues with password rejects over the Christmas period, and it was not clear who to approach to discuss and resolve the difficulties. An overview of the passwords reset process and a contact list would be useful.

**Action UBUG 0059: xoserve to present an overview of the passwords reset process and provide a contact list at the February meeting.**

CB commented that the assistance provided to her by Lee Jackson (xoserve) had been very much appreciated and asked that her thanks be passed on.

## 6.0 Any Other Business

### 6.1 IAD Transactional Data

GF reported that functionality to track IAD usage was in place and working. Originally the intention was for data to be collected to establish a more informed view on usage and its impact on performance of the system, but it had since been identified that the availability of this data may carry other benefits, and now presented an opportunity to charge for IAD on a different basis to the current methodology. Initial analysis indicated that parties would indeed face differing bills should a move be made to transactional charging, with some winners and some losers.

In response to a question from SR, GF confirmed that this would also change a party's voting percentages. TD asked if the data was sufficiently robust to support invoicing on this basis, including the provision of verifiable supporting information. GF said that as only three works worth of data had been collected so far, further exploration would be required to ascertain its limitations. xoserve would continue to collect this data and was keen to establish whether parties wanted xoserve to pursue a further exploration of the opportunity and present this as an alternative

charging basis once the group had been fully constituted and formal governance and voting rights were in place.

GF offered to share its individual relevant data with each company, which would identify whether it would be a winner or loser, under a change to the methodology. The group agreed that this should be done.

KW asked if the drivers from a cost reflective basis were more Users or more use of the system. HB responded that fixed costs dominated and, being fixed, were not particularly influenced by Users or usage; variable costs were more likely to be driven by the number of User Accounts issued rather than usage.

**Action UBUG 0060: IAD Transactional Data – xoserve to share with each company its individual relevant data and identify whether it would be a ‘winner/loser’, under a change to the methodology.**

## **6.2 Schedule 2**

HB reported that Schedule 2 had changed significantly and asked if everyone was comfortable in principle. RM commented that the Terms of Reference seemed fairly straightforward, but that EDF Energy was still waiting for its lawyers to comment. There were no dissenting comments.

## **6.3 Meeting Date Change**

The meeting provisionally arranged for 13 April 2008 (Easter Monday) will be rescheduled to 06 April 2009.

## **7.0 Diary Planning for User Pays User Group**

### **7.1 User Pays Contract Expert Group**

No further meetings have been arranged.

### **7.2 User Pays User Committee**

Meetings are held at 10:30 on the second Monday monthly, at the ENA Offices, 6<sup>th</sup> Floor Dean Bradley House, 52 Horseferry Road, London SW1P 2AF.

The following dates have been arranged for 2009:

09 February 2009

09 March 2009

06 April 2009 (date brought forward due to Easter Bank Holiday)

11 May 2009

08 June 2009

13 July 2009

10 August 2009

14 September 2009

12 October 2009

09 November 2009

14 December 2009.

## Action Table

| Action Ref | Meeting Date | Minute Ref | Action   | Owner            | Status Update          |
|------------|--------------|------------|--|------------------|------------------------|
| UPUG 0021  | 14/07/08     | 2.2        | Transporters to reconsider signing the User Pays contract and return to next meeting with reasons for their decisions.   | All Transporters | <b>Carried forward</b> |
| UPUG 0028  | 14/07/08     | 3.2        | Password resets: xoserve to review the file/form functionality.  | xoserve (AM)     | <b>Carried forward</b> |
| UPUG 0050  | 17/10/08     | 7.1        | Account Password Resets: investigate the account password resets requests returned as 'removed due to inactivity', and verify if there was a time restriction associated with perceived lack of use. | xoserve (GF)     | <b>Closed</b>          |
| UPUG 0051  | 17/10/08     | 7.2        | Consumer Focus – charges for use: RM to confirm charging arrangements in other areas (eg SPA Schedule 23, ECOES, etc).   | EDF Energy (RM)  | <b>Carried forward</b> |
| UPUG 0053  | 08/12/08     | 2.0        | Amend the Contract, UPUC Terms of Reference and ACS as necessary to reflect the use of a transparent development budget  | xoserve (GF)     | <b>Closed</b>          |
| UPUG 0054  | 08/12/08     | 2.0        | Amend the UPUC Terms of Reference to incorporate a two step voting test  | xoserve (GF)     | <b>Closed</b>          |
| UPUG 0055  | 08/12/08     | 7.4        | Notify xoserve of their working requirements for the Christmas period.   | <b>Shippers</b>  | <b>Closed</b>          |
| UPUG 0056  | 12/01/09     | 1.2        | xoserve to clarify the policy on the recycling of passwords.   | xoserve (GF)     | Pending                |
| UPUG 0057  | 12/01/09     | 2.1        | xoserve to update the UPUC Terms of Reference to reflect the changes agreed.   | xoserve (AM)     | Pending                |
| UPUG 0058  | 12/01/09     | 2.2        | xoserve to update the UPCEG Terms of Reference to reflect the changes agreed.  | xoserve (AM)     | Pending                |
| UPUG 0059  | 12/01/09     | 5.0        | xoserve to present an overview of the passwords reset process and provide a contact list at the February meeting.  | xoserve (GF)     | Pending                |
| UPUG       | 12/01/09     | 5.0        | IAD Transactional Data – xoserve   | xoserve          | Pending                |

| Action Ref | Meeting Date | Minute Ref | Action  | Owner | Status Update |
|------------|--------------|------------|---|-------|---------------|
| 0060       |              |            | to share with each company its individual relevant data and identify whether it would be a 'winner/loser', under a change to the ACS methodology. | (GF)  |               |