

User Pays User Group Minutes
Monday 14 July 2008
Elxon, 350 Euston Road, London NW1 3AW

Attendees

Tim Davis (Chair)	TD	Joint Office
Lorna Dupont (Secretary)	LD	Joint Office
Adam Frak	AF	SSE
Alex Thomason*	AT	National Grid Transmission
Andy Miller	AM	xoserve
Anna Blaber	AB	British Gas
Bali Dohel	BD	Scotia Gas Networks
Colette Baldwin	CB	E.ON Energy
Dave Addison	DA	xoserve
Gareth Mills	GM	Northern Gas Networks
Graham Frankland	GF	xoserve
Helen Barratt	HB	xoserve
Jemma Woolston	JW	Shell
Laura Doherty	LD1	RWE npower
Lorna Gibb	LG	Scottish Power
Mitch Donnelly	MD	British Gas
Nicola Rigby*	NR	National Grid Transmission
Richard Phillips	RP	RWE Npower
Richard Street	RS	Corona Energy
Stefan Leedham	SL	EDF Energy

Apologies

Kevin Woollard	KW	British Gas
Shelley Rouse	SR	Statoil

* via conference call

1.0 Introduction and Status Review

TD welcomed attendees to the meeting.

1.1. Minutes from the previous Meeting (02 June 2008)

The minutes of the previous meeting were approved.

1.2. Review of Actions from previous meetings

Action 0005: RCH to obtain information regarding the recent Ofgem governance questionnaire (being administered by Brattle) from Jon Dixon, Ofgem.

Action Update: GM reported that a response was still awaited from Ofgem. TD said that the Brattle Report had been published on the Ofgem website but did not appear to be a good source for examples of other forms of governance. **Action closed.**

Action 0013: xoserve to provide further information on current IAD system availability and measured performance.

Action Update: Information provided through xoserve's presentation at this meeting. **Action closed.**

Action 0014: xoserve to discuss the schedule 23 Change Proposal with National Grid and suggest redrafting, with the appropriate percentage, in time for the July SPAA change board.

Action Update: xoserve confirmed that this action had been completed. The change would be considered at the July SPPA change board. **Action closed.**

Action 0015: HB to communicate with Ofgem the preference for Ofgem to attend future User Pay related meetings.

Action Update: HB reported that Rachel Fletcher and Steve Smith had been contacted at Ofgem. **Action closed.**

Action 0016: All to provide any further comments/feedback on the User Pays contract to andy.j.miller@xoserve.com by Friday 13 June.

Action Update: AM reported that no additional feedback had been received. **Action closed.**

Action 0017: xoserve to discuss with the Transporters the possibility of signing onto the standard contract.

Action Update: xoserve reported that discussions with the Transporters had taken place but the Transporters were of the view that they did not need to enter into the User Pays contract. **Action closed.**

Action 0018: RS to coordinate the drafting of straw man terms of reference for the User Pays User Committee.

Action Update: RS presented the straw man terms of reference at this meeting. **Action closed.**

Action 0019: xoserve to further examine the possibility of a time-out for inactive sessions and alternatives to terminate a previous log in when attempting a second log in.

Action Update: An update was provided in the presentation given at this meeting. **Action closed.**

Action 0020: Users to consider the appropriate time-out period and provide a response to Dave.j.ackers@xoserve.com by 16 June 2008.

Action Update: xoserve reported that no responses had been received. **Action closed.**

2.0 Contractual Change

2.1. Feedback from Contract Expert Group

TD provided feedback from the Contract Expert Group and reported that good progress had been made in regard to the changes to the Terms and Conditions and Schedules.

A revised refinements register, produced by xoserve to capture comments received regarding the contract, incorporating the issues discussed during the meeting, is available on the Joint Office website (www.gasgovernance.com/industryinfo/UPDocs/Meetings2008).

Each section of the contract was considered. To record the outcome of the meeting, comments on each clause were captured against the relevant clause. This annotated contract is available on the Joint Office website (www.gasgovernance.com/industryinfo/UPDocs/Meetings2008).

It was xoserve's intention to move further contractual issues into the main conditions. This would reflect the proposed split in governance, with changes to the Schedules being managed through a different process to that envisaged for the rest of the Framework Contract.

User Pays Contract Expert Group meeting attendees are due to reconvene on 31 July 2008 with a view to considering a revised draft prior to the full contract being issued for consultation in early August.

TD pointed out that, under the Service Schedules, some areas to be considered further had been identified, with all items being centred on the Telephone Service:

- was it the right service standard;
- was the provision of the customer password call counting towards the total number of calls;
- advance warning of approaching the limit of the number of telephone calls permitted on a monthly basis was preferable to being informed after the limit had been reached; and
- unplanned downtime percentages.

Xoserve had subsequently raised an issue relating to arbitration. HB emphasised that xoserve would welcome views on the arbitration process from the customers' lawyers.

2.2. User Pays User Committee Strawman

RS presented a strawman to the group and a discussion took place.

Committee Chair

CB suggested that an explicit process may be required for the suggested dismissal of the Chair by the Committee.

In response to questions, TD confirmed that, if asked, the Joint Office would be willing to provide the Chair and Secretariat as for other industry groups.

Membership

A number of issues were raised regarding membership, which would be restricted to contract signatories and hence exclude the Transporters. RS and others were not clear why the Transporters were resistant to signing the User Pays contract and urged them to reconsider. AT responded that National Grid NTS did not see the necessity from a contractual basis as the Transporters already received these services through the Agency Services Agreement (ASA); being excluded from decision making in relation to the User Pays contract was not of great import. RS suggested that the contract could be worded so that, in the event of any conflict, the ASA would override the User Pays contract. CB pointed out that there was potential for both contracts to diverge significantly going forward, which may of course be a deliberate choice. However, Transporters, as users of IAD, affect demand and so pricing and hence, while not a party, impact all others.

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

Groups

SL and MD were concerned that any initial classification as "mainly domestic" should not exclude a party from voting on a related issue as businesses cross over many areas; an alternative might be to categorise groups as large or small Shippers. AM thought that parties with multiple licences might present a problem – however, not all licence holders were necessarily signatories to the User Pays contract. RS thought that the principle should be established that all companies have a single vote at group level.

Quoracy

Following discussion, it was agreed that further consideration needed to be given to the interrelated concepts of quoracy and groups.

General Voting Structure

Pre-notification of items requiring a vote and publication of agendas/meeting papers at least 5 Business Days in advance was an acceptable principle. SL suggested that there should also be a caveat that the Committee had agreed in advance that the items required a vote. Members thought that twenty four hours' notice prior to an urgent meeting of pre-defined resolutions needed reconsideration, as this did not allow sufficient time for internal considerations and establishment of company positions.

It was suggested that xoserve would not be entitled to vote – voting would be inconsistent with its role of service provider. xoserve suggested they would need to take legal advice on this point. xoserve can raise a proposal to change the services, but would be unable to vote for it. CB reasoned that xoserve as service provider should be looking to improve its service offerings and did not require a sponsor to put forward any changes. However, HB was concerned at the lack of a vote on changes, especially should the 'reasonableness' of the service request not match with the Licence conditions, and reiterated xoserve had not yet discussed this with its lawyers. TD pointed out that it was accepted at the last meeting that a principle was not to put any party in breach of their particular Licence conditions.

Constituency Voting Structure

There was a short discussion on the concept of the Chair being entitled to challenge a party's declared interest in a change proposal. CB felt that there was a need for more simplicity and that changes to the User Pays services would not require two categories of voting. It was observed that the constituency approach gives a level of protection, with the potential for an appeals process should a party feel disadvantaged. There was some agreement that the strawman arrangements did seem overly complicated for the services included at present, and that it would be more practical if the arrangements were reduced to that of one signatory, one vote.

AM commented that it may be simpler to disregard any potential and, by definition, unknown services and concentrate on devising arrangements that accommodate the current User Pays services. He suggested that xoserve could produce a register of the permitted service receivers of each of the six services and hence those permitted to vote on a specific change proposal. As an example, End Users would be interested in IAD only and therefore would not be able to exercise a vote on any proposal to change the other services. A principle could be established that if a party is permitted to receive a particular service then the party would be permitted to vote on it, and that a vote could only be exercised once a party had signed the contract.

Constituency Voting Structure (part 2)

The concept of majority was discussed, and the need for all categories of group to vote in favour before a change took place. TD pointed out that circumstances could be envisaged where a single vote could block a change, and CB observed that a stalemate situation could easily be experienced. GF commented that as a result, tiered services may become more prevalent.

In light of suggestions made, TD asked whether there should be a representative committee – not all 32 signatories would be likely to attend a meeting, and votes would need to be communicated by proxy or by email? Following discussion, it was agreed that all signatories should be entitled to

attend and vote at User Pays User Committee meetings, and that the Contract Manager be the appointed member for each party, albeit able to appoint a proxy to vote on their behalf.

Reporting

In response to a question from MD, it was confirmed that Ofgem had not formally requested to be kept informed, or receive papers, of the business of the User Pays User Committee, but it was felt that this would be courteous and prudent practice. Attendees did not believe there was a requirement for Ofgem to be represented on the Committee although it would be useful for an Ofgem nominee to receive papers from the meetings. GF and HB confirmed that xoserve's user pays mailing list included Jon Dixon and Indra Thillinaithan.

Frequency

To allow for reporting and monitoring as well as dealing with change, it was agreed that meetings should be scheduled monthly initially, but that this could be reduced in light of experience. Meeting by teleconference should be considered.

Other Issues

Drawing on his experience of previous commercial meetings RS suggested deliberately stating specific 'no go' areas, for example end-user prices. CB responded that it was perhaps easier to define the scope. RS also suggested considering some form of general indemnity for the Chair.

2.3. Next Steps

TD summed up the issues discussed and emphasised the need to reach a conclusion, initially on how to take the work forward and subsequently on the approach to be adopted.

In the absence of other volunteers, xoserve agreed to write a draft proposal for the way in which the User Pays User Committee could operate, bearing in mind that it is a commercial and not regulated contract.

MD and SL reiterated their concern as to whether the strawman constituency approach would work in practice. CB stated that she needed to discuss the concept of constituencies internally before any further progress could be made. RS observed that I&C Shippers were likely to prefer the constituency concept. SL commented that EDF may be able to accept constituency voting provided there was some form of appeals route. MD asked if an appeal could follow an arbitration process, but AM responded that it would be difficult to ascertain who to take an appeal to. RS thought that this 'difficulty' should encourage the development of proposals or services in a sensible and reasonable manner. TD suggested that as a form of appeal, consideration might be given to an approach where if an initial vote failed, for example because one constituency did not vote in favour, provision could be made for a second vote with different success criteria. For example, the second vote could be one signatory one vote, with 80% in favour for the change to go ahead.

Action UBUG 0022: All to consider the constituency voting concept and return with a view and any alternative suggestions.

There was a short discussion on funding and timescales. As it was an xoserve committee it was suggested that xoserve should fund User Pays User Committee meetings. CB thought that a monthly frequency was appropriate for reporting on performance. TD suggested that teleconferences may be appropriate for reporting on performance, and that physical meetings could be held for performance issues, changes, etc.

xoserve would send all meeting invitations to the Contract Managers, who could nominate alternates. As this involved a commercial contract the meetings would not be public meetings - guests would be permitted by invitation only.

xoserve felt that there was insufficient agreed detail for it to draft a firm document for consideration. MD commented that constituencies still appeared to be particularly contentious and considered responses needed to be made.

Action UPUG 0023: Suggestions/responses on constituencies by 08 August to Andy Miller (xoserve.userpays@xoserve.com) and Tim Davis (enquiries@gasgovernance.com)

Action UPUG 0024: xoserve to draft a document for further consideration and development at the next meeting.

RS questioned whether UK Link could impact on User Pays services. DA responded that an outage can affect the systems.

3.0 xoserve Update

3.1. IAD Update

DA provided an update on potential IAD enhancements, including Single User Log On Restrictions and Forced Log Outs, and Self Service User Password Resets, and confirmed that xoserve will start to develop the necessary changes to the IAD Service. A target date for implementation is likely to be during October 2008.

The meeting unanimously agreed to a log on timeout restriction of 30 minutes.

A number of Shippers stated that their organisations had initiated data cleanup exercises and were finding that IAD creation and especially password reset requests were not being done in a timely manner. They were therefore greatly concerned that further changes should not be brought in until the performance of these activities had been much improved. They were also concerned that their internal data cleanup exercises needed to be much further advanced before having to cope with further change. DA confirmed to RS that it would not be possible to run both systems in parallel. HB confirmed that the cost of the systems changes would not be recharged under User Pays.

SL advised that EDF would need to discuss the impact of the proposed October date internally and respond to xoserve.

Responding to the Shippers' concerns HB said that xoserve would need to gain some sense of scale of the issue for customers in order to review. A decision to go ahead (or not) with the changes would be made the week before the proposed implementation, and it was expected that the development of the changes would start after this meeting.

AM confirmed xoserve was aware that there was a backlog of password resets but that these were expected to be cleared shortly. HB said that the changes would not go live if the magnitude of the scale of the customers' problems would impact significantly on the service.

Action UPUG 0025: Shippers to respond to xoserve with a view on the potential customer impact of making the proposed IAD changes in October.

Ways to manage User Password Reset functionality were then discussed. Some members preferred that their own LSO carry out the resets internally.

DA said that a User's organisation can potentially determine whether they want their LSOs to maintain control or devolve it to users. GF added that reducing costs associated with the Helpdesk could potentially be passed through to customers.

Password reset questions were discussed, and it was unanimously agreed to use the LSO's name, ID, and password, with a communication/message advising the user to contact their LSO. DA confirmed that this could be done for October and development on the changes would be started.

3.2. Operational Update

AM provided an operational update for April, May and June, on the performance of the Telephone Service Line, the IAD Service Line, the Email Report Service Line, Portfolio Reports, AQ Enquiries, and IAD Account Transaction Volumes, and went on to give an explanation of the IAD Account Transaction figures.

AM referred to the password reset issues raised by members and explained that larger than anticipated volumes led to unsatisfactory performance, with 875 resets still outstanding; xoserve had escalated this with the service provider and anticipated resolution very shortly. The figure of 135 given for Bulk Resets was queried by some members as they had sent in requests for larger figures, and concerns were voiced as to the readiness of xoserve and its ability to cope with requests and deliver a satisfactory performance.

Action UPUG 0026: Shippers to provide to xoserve by Friday 18 July 2008 updated views on their likely demand for IAD accounts.

GF reiterated that issues had been escalated to senior levels to improve stability in performance. LG reported that requests she had sent to the Helpdesk were taking 2-3 days to turn around and access was then often incomplete and required following up; she offered to provide 'before/after' information where not all application accesses had been properly reset to AM for further investigation.

Action UPUG 0027: Password Resets - LG to provide 'before/after' information where not all application accesses had been properly reset following a password reset request, to xoserve for further investigation.

MD questioned how xoserve's work and resource prioritisation was decided; were requests for creations of new accounts dealt with first or other requests from existing users; AM responded that these tasks were dealt with through different routes and HB added that xoserve pay for a complete service from a service provider. CB pointed out that password resets are equally important if not more so to the customer as an inability to access systems caused delays in their business.

SL and CB highlighted that there may be a problem with the file/form itself as difficulties were experienced on pressing the 'Submit' button, resulting in the use of email to submit the information.

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

4.0 Agency Charging Statement (ACS) Review Timeline

GF provided an update on progress and reported that it was xoserve's intention to append a report to the ACS that would encompass the points previously raised by

Ofgem, including demand for services, cost reflectivity, methodology, and treatment of any over recovery. The ACS revision timeline was then presented and explained.

HB encouraged members to contact xoserve as soon as possible if there were particular inclusions that a member wanted to see reflected in the report.

5.0 Any Other Business

None.

6.0 Diary Planning for User Pays User Group

User Pays User Group

The Group agreed to continue to meet monthly, every 2nd Monday.

TD advised that due to various prior commitments it was proposed to change the date of the next meeting. It was agreed that the next meeting will therefore take place at 10:00 on Monday 18 August 2008, at Elexon, 350 Euston Road, London NW1 3AW.

On Thursday 31 July 2008 there will be a meeting of the User Pays Contract Expert Group which is open to those who attended the 24-25 June meeting.

Future Meetings – User Pays User Group

Monday 08 September 2008, 10:00, Elexon, 350 Euston Road, London NW1 3AW.

Monday 13 October 2008, 10:00, Elexon, 350 Euston Road, London NW1 3AW.

Monday 10 November 2008, 10:00, Elexon, 350 Euston Road, London NW1 3AW.

Monday 08 December 2008, 10:00, Elexon, 350 Euston Road, London NW1 3AW.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UPUG 0005	30/04/08	2.2	RCH to obtain information regarding the recent Ofgem governance questionnaire (being administered by Brattle) from Jon Dixon, Ofgem	NGN (RCH) and Ofgem (Dixon)	Closed
UPUG 0013	02/06/08	2.1	xoserve to provide further information on current IAD system availability and measured performance	xoserve (AM)	Closed
UPUG 0014	02/06/08	2.1	xoserve to discuss the schedule 23 Change Proposal with National Grid and suggest redrafting, with the appropriate percentage, in time for the July SPAA change board	xoserve (GF)	Closed
UPUG 0015	02/06/08	2.2	HB to communicate with Ofgem the preference for Ofgem to attend future User Pay related meetings	xoserve (HB)	Closed
UPUG 0016	02/06/08	2.2	All to provide any further comments/feedback on the User Pays contract to andy.i.miller@xoserve.com by Friday 13 June	All	Closed
UPUG 0017	02/06/08	2.2	xoserve to discuss with the Transporters the possibility of signing onto the standard contract	xoserve (GF)	Closed
UPUG 0018	02/06/08	2.2	RS to coordinate the drafting of straw man terms of reference for the User Pays User Committee	Corona Energy (RS)	Closed
UPUG 0019	02/06/08	4.1	xoserve to further examine the possibility of a time-out for inactive sessions and alternatives to terminate a previous log in when attempting a second log in	xoserve (DA)	Closed
UPUG 0020	02/06/08	4.1	Users to consider the appropriate time-out period and provide a response to Dave.j.ackers@xoserve.com by 16 June 2008	All	Closed
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	

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UPUG 0022	14/07/08	2.3	Strawman: All to consider the constituency voting concept and return with a view and any alternative suggestions..	All	
UPUG 0023	14/07/06	2.3	Suggestions/responses on constituencies by 08 August 2008 to Andy Miller (xoserve.userpays@xoserve.com) and Tim Davis (enquiries@gasgovernance.com)	All	
UPUG 0024	14/07/08	2.3	Terms of Reference: xoserve to draft a document for further consideration and development at the next meeting.	xoserve (AM)	
UPUG 0025	14/07/08	3.1	IAD: Shippers to respond to xoserve with a view on the potential customer impact of making the proposed changes in October.	Shippers	
UPUG 0026	14/07/08	3.2	Shippers to provide to xoserve by Friday 18 July 2008 updated views on their likely demand for IAD accounts.	Shippers	
UPUG 0027	14/07/08	3.2	Password resets - LG to provide 'before/after' information where not all application accesses had been properly reset following a password reset request, to xoserve for further investigation.	Scottish Power (LG)	
UPUG 0028	14/07/08	3.2	Password resets: xoserve to review the file/form functionality.	xoserve (AM)	