

# UNC DSC Contract Management Committee Minutes

## Wednesday 17 January 2018

### at Lansdowne Gate, 65 New Road, Solihull, B92 OED

Chris Shanley (Chair)	(CS)	Joint Office	Non-Voting
Kully Jones (Secretary)	(KJ)	Joint Office	Non-Voting
<b>Shipper User Representatives</b>			
Kirsty Dudley*	(KD)	E.ON	Voting
Steve Mulinganie*	(SM)	Gazprom	Voting + Alternate for Lorna Lewin (total 2 votes)
Robert Cameron Higgs*	(RCH)	Flow energy	Voting (2 votes)
<b>Transporter Representatives</b>			
Hilary Chapman	(HC)	Southern Gas Networks	DNO – Voting
Joanna Ferguson*	(JF)	Northern Gas Networks	DNO – Voting
Beverley Viney	(BV)	National Grid NTS	NTS – Voting + Alternate for Phil Lucas (total 2 votes)
Victoria Parker*	(VP)	ESP	iGT – Voting + Alternate for John Cooper (total 2 votes)
<b>CDSP Contract Management Representatives</b>			
Dave Turpin	(DT)	Xoserve	Non-Voting
Emma Smith	(ESm)	Xoserve	Non-Voting
Martin Baker (item 9.2 only)	(MB)	Xoserve	Non-Voting
Michael Orsler	(MO)	Xoserve	Non-Voting
Michelle Downes (item 5.3 only)	(MD)	Xoserve	Non-Voting
Sandra Simpson (item 5.3 only)	(SS)	Xoserve	Non-Voting
<b>Observers</b>			
Chris Warner	(CW)	Joint Office	Non-Voting
Debbie Brace	(DB)	National Grid NTS	Non-Voting

John Welch	(JW)	nPower	Non-Voting
Leteria Beccano	(LB)	Wales & West Utilities	Non-Voting
Robert Wigginton	(RW)	Wales & West Utilities	Non-Voting
Shiv Singh	(SS)	Cadent	Non-Voting

Copies of all papers are available at <https://www.gasgovernance.co.uk/dsc-Contract/170118>

## 1. Introduction

### 1.1. Apologies for absence

Graham Wood – No alternate present

John Cooper – Victoria Parker alternate

Lorna Lewin - Steve Mulinganie alternate

### 1.2. Alternates

For information, the appointed alternates of the committee are as follows:

Representative	Vote Count	Alternate
Kirsty Dudley	1 vote	Alex Travell
Graham Wood	1 vote	Andrew Margan
Steve Mulinganie	1 vote	Alexander Mann
Lorna Lewin	1 vote	James Crosland or Oliver Xing (do not email)
Rob Cameron-Higgs	2 votes (3.3.2 (a) applies)	TBC
Hilary Chapman	1 vote	Chris Warner
Joanna Ferguson	1 vote	Robert Wigginton
Beverley Viney	1 vote	Phil Lucas
Phil Lucas	1 vote	Beverley Viney
John Cooper	1 vote	Victoria Parker
Victoria Parker	1 vote	John Cooper

### 1.3. Approval of Minutes (15 November 2017)

The minutes from the previous meeting were accepted.

## 2. Business Continuity Plan

ES reported that the BCM Incident Management Team was activated at the request of the Operations Director during the severe winter weather experienced in December 2017. She confirmed that Xoserve were able to maintain business as usual through this period due to the planning and established lines of communication already in place.

## 3. Information Security Arrangements

No update.

## 4. Contract Assurance Audit

### 4.1. Audit Plan: January-June 2018

ES confirmed that an update will be provided at the February and March meetings to cover the processes that are due to report in Q2. In future, a copy of the Audit Plan will be appended to the agenda and published monthly.

## 5. Monthly Contract Management Report (KPIs)

### 5.1. KPI reports

MO took the Committee through the KPI report provided for the meeting, highlighting the key points on the summary slide.

He reported that:

- The invoicing information was on track and data for NTS entry and exit capacity had been included.
- No customer disputes had been recorded.
- There are no budget and charging methodology changes.
- Xoserve/Gemserve API testing sandbox for PCWs has gone live.
- In relation to contract management – there has been a Priority 2 KPI failure for November and December. A defect was encountered where the read date provided by the incoming Shipper was equal to D+5 from the transfer date. In these cases, the outbound Shipper was not notified of the final transfer read. The defect has now been resolved.

RW stated that the supply point information was useful but expressed surprise that Class 3 is not increasing as might be expected given the Smart Meter rollout. CW suggested that the outcome of the Unidentified Gas (UIG) Modifications might result in different behaviours. RW asked if Xoserve systems hold information on the number of Smart Meters implemented and if so could this be shared with the committee.

**New Action 0101: MO to confirm what percentage of meters are currently classified as Class 3.**

RW also asked if Xoserve have the capacity to manage increased volumes of Smart Meters in terms of processing and recording meter reads. ES confirmed that Xoserve have undertaken testing of their systems and processes can handle 32 million reads. In addition, MD confirmed that the scaling up volumes for 2017-2020 have been reported in UKLink manual.

For further detail please see KPI reports and 3<sup>rd</sup> Party invoicing which can be found here: <https://www.gasgovernance.co.uk/dsc-Contract/170118>

### 5.2. Summary position of aggregate UIG flows

ES went through an onscreen review of the UIG resolution presentation provided for the meeting which covered 4 areas:

- Executive Summary
- DM read rejection update
- DM read rejection burndown graphs
- Latest UIG volatility

ES reported that a) Pot 1 read rejection burndown had reduced from 80 DM read rejection queries to 1 by the end of 2017 and b) UIG percentage by Gas Day (D+1 versus D+5) across 13 LDZs had levelled out during December.

With regards the CSEP/LDZ mapping and VP asked how the table updates are maintained and suggested that there may be on-going data quality/process issue. ES agreed to include this issue on the next GTI iGT meeting agenda for further examination.

**New Action 0102: ES to include an agenda item on iGT LDZ mapping for the next GT and iGT meeting agenda.**

### **5.3. Consideration of future KPIs and impacts on budget**

SS and MD jointly presented this agenda item. MD provided a brief update from the discussions she had held with various groups including NG NTS, iGTs and Class B Shippers. She reported that there had been minimal feedback from Class A, Class C and DNs and more engagement was needed.

The discussions had identified 5 key themes for consideration of future KPIs and impacts on budgets:

- Issue management and resolution
- Change management
- Relationship management (between Xoserve and industry parties)
- Data Quality
- Adding Value.

MD said there was a level of consistency across organisations in the responses received. SS stated that more consideration will be needed on how Xoserve will measure customer experience, especially if issues are present even when SLAs are met.

In response to a point made by SM about the importance of the development of new metrics and performance measures, SS explained that the existing measures cannot be abandoned as there are currently 108 individual performance indicators. However, not all of these are key indicators so consideration will be given to which should be the key indicators and/or value indicators.

RW stated that from a customer perspective the summary KPI report was helpful. However, he suggested that it does not always reflect the feedback received from within his own organisation.

In addition, he questioned whether the *Data Quality* theme was appropriate as Xoserve are not able to influence the data they receive from industry parties and suggested that perhaps this should be *Data Governance*.

MD reported that iGTs have commented that they need more process knowledge/Xoserve support to help resolve their issues. KD agreed that feedback confirms that issue resolution is the key factor. SM stated that Shipper issues are also due to data quality.

**New Action 0103: All parties to provide feedback to MD with views on future KPIs and impacts on budget.**

**New Action 0104: MD to provide an update at the next meeting with a focus on those areas that could be implemented as 'quick-wins'.**

## **6. Financial Information**

### **6.1. Cost allocation model and methodology**

No update provided this month.

### **6.2. CDSP Budget**

ES provided a summary presentation on the CDSP budget (half yearly forecast) confirming that a 9-month position will be available for the February meeting which will also include data on actuals.

### 6.3. Annual Charging Statement

No update scheduled for this month. In response to a question from RW, ES confirmed that the charging statement would be published on 23 January 2018. RW suggested that an update should be provided in the month of publication.

**New Action 0105: ES to provide a post-meeting update of the annual charging statement including a timeline.**

### 6.4. Invoicing

This item was discussed under agenda item 5.1.

## 7. Review of Outstanding Action(s)

**0504:** DT To circulate email address lists to the group to confirm the list is up to date.

Contract managers to review distribution lists that Xoserve hold to make sure they hold the correct users. Xoserve to write out to each organisation for confirmation that they are satisfied with the usage of open distribution lists.

**Update:** ES confirmed that 3 parties had asked to be removed from the open distribution list. The recommendation was to BCC the 3 parties into all future communications as they cannot be removed from the list entirely as they all DSC Contract Managers. **Closed**

**0804:** *New data enquiry service and helpline service* – Xoserve to provide a presentation on the actions taken for suspicious use and provide recommendations.

**Update:** ES reported on behalf of DT that the presentation was nearly ready and would be circulated post the meeting. **Carried Forward**

**1004:** KPI Reports and 3<sup>rd</sup> Party Invoicing - MSm to look to provide reflection of Entry and Exit Energy balancing in Invoicing Information

**Update:** MO and ES confirmed that these reports have been published. **Closed**

**1101:** *Information Security Breach:* DT/ES to circulate definitions of P1, P2 etc

**Update:** SM had provided comments to DT on the one page update of definitions prior to the meeting. He suggested that for any security breach all customers should be considered the same. In particular, he questioned whether the Xoserve moderate impact on stakeholder reputation should be a critical classification.

RW also questioned how a moderate impact on shareholders would be applied? He suggested that other approaches could be considered such as the media approach, which considers if the issue is big enough to make national news. CS asked if other parties wished to share their approaches to risk management to help enhance the wording of the definitions. BV agreed to circulate the NTS approach. It was agreed that this item would be discussed again at the next meeting, once Xoserve had considered the feedback provided and discussions at the meeting. **Carried Forward**

## 8. Key Committee Updates

### 8.1. DSC Change Management Committee

ES provided an update from the Change Management Committee held on 10 January 2018. She confirmed that:

- 5 new change proposals were approved.

- Cadent Gas had raised a UNC Modification 0630R *Review of the consequential changes required in UNC as a result of the Ofgem Switching Programme* and had requested greater support from the industry for future meetings.
- Release 2 – implementation date June 2018. BER fully approved and funding arrangements agreed. Additional stage gate added at the end of January to gain assurance that additional scope has no external impact. Release 3 timeline was discussed and it was noted that the November implementation date was tight to provide the required notice periods to customers. The proposed scope will be discussed at DSC SDG meeting on 22 January and an extra meeting of Change Managers on 29 January to review DSG recommendations. It was reported that Joint Office were not able to support this extra meeting due to other industry meetings. The scope would be agreed at a formal meeting on 7 February 2018.

RW reiterated that the summary update provided is very helpful and suggested that the DSC Change Budget Utilisation pie chart could be included in this update for DSC Contract managers (who do not attend DSC Change Management Committee).

**New Action 0106: ES to include CDSP Budget pie chart showing DSC Change Budget Utilisation in the future DSC Change Management Committee updates.**

## **8.2. PAC/PAFA**

ES provided a brief outline of the Performance Assurance Committee (PAC) meeting held on 12 December 2017. She highlighted 3 areas:

- PAC have acknowledged that Theft of Gas is a significant settlement risk.
- PAC have noted that a number of UNC modifications have been raised to address the allocation of UIG and reading issues, both of which present a risk to settlement.
- Winter Annual Ratio (WAR) banding and the high use of defaults has been identified as an area on which PAC will focus in the future.

CS informed DSC Contract Managers that the PAC is interested to receive feedback from the committee on any issues that they should be assessing.

## **9. Any Other Business**

### **9.1. ToR for General Data Protection Regulation (GDPR) Workgroup**

ES reported that the GDPR Working group had now been established and the first meeting was held on 15 December 2017. Monthly meetings, to be held on a Tuesday, have been scheduled between January to April. The meetings will be chaired by Xoserve as Ofgem have declined the invitation. The next meeting will be held on 23 January 2018.

BV noted that GDPR had not been defined in the ToR and asked for it to be included. It was requested that a high-level summary of the groups work be provided for future meetings.

**New Action 0107: ES to provide a high-level summary (dashboard style) with a RAG status for future meetings.**

### **9.2. Decision Making Matrix**

MB briefly joined the meeting to present a table setting out the key roles and responsibilities of Xoserve, Shareholders, the Xoserve Board, Customers and Ofgem. The table is intended to be an easy reference guide and classifies the aforementioned roles as 'Approver', 'Influencer' and 'Notified'. He explained that a number of the decision topics would be discussed at the DSC Contract Committee.

Following a brief discussion, it was agreed that in relation to regulatory information provision the Board would be notified, rather than them be an 'Approver'.

### 9.3. XRN4568 DSC Service Description Table - cosmetic changes to service lines

ES informed the group that the Change Proposal – DSC Service Description Table cosmetic changes to Service Lines raised by Andy Miller has been approved by the DSC Change Committee and the formal 15-day consultation could now begin. Next month this committee would review the responses and look to approve the change.

**New Action 0108: ES to formally send the Change proposal to DSC Contract Managers and seek approval from voting members at next month's meeting.**

### 9.4. Formula year AQ/SOQ amendment update

ES informed the group that before Christmas 2017 an initial communication had been sent to Shippers to inform them of an error in the AQ calculation process. It was discovered that a number of AQs were rejected/did not 'go live' as the AQ was understated in the reference table. It is estimated that 65,000 AQs would need to be amended as a result. The solution will ensure both the FY AQ issue and the rolling AQ are corrected. She also confirmed that this only applied to Class 3 and 4 and Class 1 and 2 are not impacted.

**New Action 0108: ES to provide an update at the next meeting on the defect resolution and also include this issue on the KPI summary dashboard.**

### 9.5. Xoserve customer satisfaction survey

AJ was not able to attend the meeting. It was agreed that an update would be provided following the meeting by correspondence.

### 9.6. Other items

Two items of other business were discussed at the meeting.

a. CS asked DSC Contract Managers about the suitability of the current day and time of the meeting. He highlighted that this meeting was scheduled to take place directly following the iGT meeting but members recognised that this can cause problems if the iGT meeting overruns. In addition, sufficient time is needed for Xoserve to prepare papers between the DSC Change Management meeting and the DSC Contract Management Committee. From a Joint Office perspective, the current timing which falls the day before Modification Panel is not ideal and the Tuesday after Panel would be better. He asked Committee members to review these arrangements and feedback any views to Joint Office.

**New Action 0109: DSC Contract Managers to review the current meeting day and time and provide feedback to Joint Office if they feel a change is required.**

b. RW informed the group that he was moving to a new role and he would be notifying the Committee of his alternate in due course. CS thanked RW for his contributions to the Committee and to the UNC process as a whole.

**New Action 0110: RW to provide details of his alternate.**

## 10. 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
-------------	-------	---------------------

11:00, Wednesday 14 February 2018	Lansdowne Gate, 65 New Road, Solihull B91 3DL	Standard Agenda
11:00, Wednesday 14 March 2018	Lansdowne Gate, 65 New Road, Solihull B91 3DL	Standard Agenda

**Action Table (as at 17 January 2018)**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0504</b>	17/05/17	From Action 0403	<i>Open Distribution Lists:</i> To circulate email address lists to the group to confirm the list is up to date. Contract managers to review distribution lists that Xoserve hold to make sure they hold the correct users. Xoserve to write out to each organisation for confirmation that they are satisfied with the usage of open distribution lists.	DT  All  Xoserve	<b>Closed</b>
<b>0804</b>	16/08/17	7.0	<i>New data enquiry service and helpline service</i> – Xoserve to provide a presentation on the actions taken for suspicious use and provide recommendations.	Xoserve (DT)	<b>Carried Forward</b>
<b>1004</b>	18/10/17	5.0	<b>KPI Reports and 3<sup>rd</sup> Party Invoicing</b> MSm to look to provide reflection of Entry and Exit Energy balancing in Invoicing Information	Xoserve (MSm)	<b>Closed</b>
<b>1101</b>	15/11/17	9.3	<b>Information Security Breach:</b> DT/ES to circulate definitions of P1, P2 etc	Xoserve DT/ESm	<b>Carried Forward</b>
<b>0101</b>	17/01/18	5.1	MO to confirm what percentage of meters are classified as Class 3.	Xoserve (MO)	<b>Pending</b>
<b>0102</b>	17/01/18	5.2	ES to include an agenda item on iGT LDZ mapping for the next GT and iGT meeting agenda.	Xoserve (ES)	<b>Pending</b>
<b>0103</b>	17/01/18	5.3	All parties to provide feedback to MD with views on future KPIs and impacts on budget.	All	<b>Pending</b>
<b>0104</b>	17/01/18	5.3	MD to provide an update at the next meeting with a focus on those areas that could be implemented as 'quick-wins'.	Xoserve (MD)	<b>Pending</b>



**Action Table (as at 17 January 2018)**

<b>Action Ref</b>	<b>Meeting Date</b>	<b>Minute Ref</b>	<b>Action</b>	<b>Owner</b>	<b>Status Update</b>
<b>0105</b>	17/01/18	6.3	ES to provide a post-meeting update of the annual charging statement including a timeline.	Xoserve (ES)	<b>Pending</b>
<b>0106</b>	17/01/18	8.1	ES to include CDSP Budget pie chart showing DSC Change Budget Utilisation in the future DSC Change Management Committee updates.	Xoserve (ES)	<b>Pending</b>
<b>0107</b>	17/01/18	9.1	ES to provide a high-level summary (dashboard style) with a RAG status for future meetings.	Xoserve (ES)	<b>Pending</b>
<b>0108</b>	17/01/18	9.3	ES to formally send the Change proposal to DSC Contract Managers and seek approval from voting members at next month's meeting.	Xoserve (ES)	<b>Pending</b>
<b>0109</b>	17/01/18	9.6	DSC Contract Managers to review the current meeting day and time and provide feedback to Joint Office if they feel a change is required.	All	<b>Pending</b>
<b>0110</b>	17/01/18	9.6	RW to provide details of his alternate.	W&WU (RW)	<b>Pending</b>