

UNC Workgroup 0841/0841A Minutes
Introduction of cost efficiency and transparency requirements for the
CDSP Budget

Monday 08 January 2024

Via Microsoft Teams

Attendees		
Kate Elleman (Chair)	(KE)	Joint Office
Nikita Bagga (Secretary)	(HK)	Joint Office
Andy Clasper	(AC)	Cadent
Andy Eisenberg	(AE)	E.ON Next
Charlotte Gilbert	(CG)	BU-UK
David Mitchell	(DM)	Scotia Gas Networks
Edward Allard	(EA)	Cadent
Ellie Rogers	(ER)	Xoserve
Gavin Williams	(GW)	Northern Gas Networks
Gregory Edwards	(GE)	Centrica
James Rigby	(JR)	Xoserve (CDSP)
Jayne McGlone	(JM)	Xoserve (CDSP)
Kirsty Ingham	(KI)	Centrica
Marina Papathoma	(MP)	Wales & West Utilities
Mark Jones	(MJ)	SSE
Matthew Brown	(MB)	Ofgem
Oorlagh Chapman	(OC)	Centrica
Sally Hardman	(SHa)	SGN
Susan Helders	(SH)	Northern Gas Networks
Kate Elleman (Chair)	(KE)	Joint Office
Nikita Bagga (Secretary)	(HK)	Joint Office
Andy Clasper	(AC)	Cadent

This Workgroup meeting will be considered quorate provided at least two Transporter and two Shipper User representatives are present.

The Workgroup Report is due to be presented at the UNC Modification Panel by 15 February 2024.

Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: <https://www.gasgovernance.co.uk/0841/080124>.

1.0 Introduction and Status Review

Kate Elleman (KE) welcomed all parties to the meeting.

Andy Eisenberg (AE) joined the meeting at 10:17am and KE confirmed at this point, the meeting was now quorate. AE left the Workgroup following the completion of the discussion on Modification 0841.

1.1 Approval of Minutes (04 December 2023)

The minutes from the previous meeting were approved.

1.2 Approval of late papers

No late papers to approve.

1.3 Review of Outstanding Actions

1201: Centrica to consider including a change control table to the Business Plan Information Rules document.

Update: KE confirmed that the latest version of the BPIR now included a change control table and therefore this action is completed. **Closed.**

1202: CDSP (JM) to send a list of the outstanding queries in relation to the Business Plan Information Rules document to Andy Clasper.

Update: ER confirmed this action had been completed. **Closed.**

1203: Centrica to review the wording around confidential information in the Legal Text and BPIR document in order to ensure they do not become misaligned.

Update: KE confirmed this action had been completed. **Closed.**

2.0 0841 Modification Assessment

Modification 0841 Version 8

KE took the Workgroup through v8.0 of Modification 0841 – Introduction of cost efficiency and transparency requirements for the CDSP Budget. The amendments made were presented to the Workgroup.

Further to the last Governance meeting, KE discussed the reference to “costs” which now had a capital C and is a defined term in GTD section 1.2.1. Kirsty Ingham (KI) advised that this amendment was a result of a response from CDSP who are happy with this change.

KE referred to the wording at the top of page 9 with Jayne McGlone (JM) stating that this had been amended to make the wording clearer.

A drop dead date around providing the lowest level of granularity has now been added with the date being 31 July, this has also been reflected in the Legal Text. KI informed the Workgroup that this date was decided as a result of discussions with CDSP. JM confirmed CDSP are happy with this date. The new date of 31 July has been added and incorporated throughout the text.

Following the last Governance meeting, KE confirmed that an update had been included in relation to “commercially confidential” and it is now clear that where “confidential” is stated, this relates to “commercially confidential”.

Business Plan Information Rules

Gregory Edwards (GE) provided an overview of the amendments made to the Business Plan Information Rules (BPIR), advising that although there was a lot of red, this reflects the movement of text as opposed to any substantial changes.

In relation to section 2, this now included new wording which had developed following the discussions from the last meeting.

Susan Helder (SH) advised she had discussed the review of assurance activities with Tracey Saunders (TS) in respect of the annual third-party audit. SH shared TS' concern with the Workgroup regarding the annual audit, advising that it may not be considered efficient or economic for this to be conducted by a third party on an annual basis if there are no discrepancies identified.

KI noted that should the position change, an amendment can always be made to the BPIR. SH advised she will revert to TS.

KI advised that there was already an alternative Modification which reflected this point, in response to this SH stated that TS is considering withdrawing her initial alternative Modification and raising a new that that is change marked against v8.0 of 0841.

KE advised that she had discussed the position with TS prior to Christmas and explained that TS was more comfortable with the updates and her concerns were those which SH raised. KE stated she would discuss the intended approach regarding the alternative Modification with TS.

KE informed the Workgroup that a version control table has now been included within the BPIR which follows a similar approach to the Derogation Guidance Document, which was introduced as part of Modification 0800. The BPIR now includes an introduction section for clarity on what the document is used for and what it does.

Further to the last meeting, and the discussions regarding the differing wording around confidential information in both the BPIR and the Legal Text, KI confirmed that this has now been removed from the BPIR and exists only in the Legal Text.

Legal Text and Business Rules

Andy Clasper (AC) provided an overview of the Legal Text along with the relevant Business Rules, advising that amendments had been made in line with the Modification following comments from the last Workgroup.

All additional text is in yellow and some text has been removed, AC provided an update on what had been removed.

AC advised that the Legal Text will need to be re-considered by the lawyers, following a review by Centrica.

Further to the last Workgroup, AC confirmed that “Costs” has now been capitalised in relation to Business Rule 3.

As discussed above, the Legal Text now brings to light the drop dead date with the confirmed date now being implemented within the text. Any duplication regarding the operation of the UK Link Manual has also now been removed.

AC will need to discuss with the lawyers whether a new definition will need to be created for “commercially confidential”. KI agreed to a degree but stated that the term “commercially confidential” is widely known within the legal industry, which was the rationale behind drafting in this way. The comments have been fed back and the lawyers will need to review the position.

KI enquired about 12.1, stating that this is an incomplete list of UNC documents. The preference for (g) is for this section to make reference to UNC GTD, the lawyers will therefore need to be asked whether the definition should be included in both the UNC and DSC. AC advised he had captured this point in an email and would discuss it with the lawyers.

3.0 0841A Modification Assessment

Not discussed.

4.0 Development of Workgroup Report

KE provided an update to the Workgroup on the position of the Workgroup Report, advising that a lot of work will need to be conducted given the number of versions causing much of the earlier information to now be redundant. The Report will need to be drafted to capture the relevant points but not ignore the earlier discussions without causing confusion.

KE will need to discuss with TS her intentions regarding the alternative and whether she intends to withdraw this. The report will either be drafted as a combined report with Modification 0841A or stand-alone.

KE confirmed the intention is to start reviewing the report next month and if there is an alternative, the changes should be minimal so the report could potentially be updated during the meeting. Despite this plan, KE advised she recommends obtaining a 2-month extension from Panel as a precaution and to ensure that everything has been captured.

JM stated that Xoserve was broadly happy with the Modification as it currently stands and confirmed that the final draft of BP24 has now been published pending approval by Xoserve's Board. Xoserve believe the published draft of BP24 represents an appropriate level of transparency and detail and that it intends to maintain this level of detail in future business plans.

Matthew Brown (MB) advised he needs to obtain a better understanding on the Modification and his attendance at the Workgroup was for education purposes. Oorlagh Chapman (OC) provided her assistance, should MB have any questions regarding the synopsis to justify the present position of the Modification. KE advised that the Joint Office can be used as an intermediary for MB, should he require any meetings or questions to be directed to particular organisations.

5.0 Any Other Business

None.

6.0 Next Steps

KE confirmed to the Workgroup the following next steps:

1. Confirm the approach for the alternative Modification;
2. Update the Workgroup Report; and
3. Review the revised Legal text.

7.0 Diary Planning

0841 meetings are listed at: <https://www.gasgovernance.co.uk/0841>

All other Joint Office events are available via: www.gasgovernance.co.uk/events-calendar/month

Time/Date	Meeting Paper Deadline	Venue	Programme
10:00 Monday 05 February 2024	5pm Friday 26 January 2024	Microsoft Teams	Standard Agenda

0841 Action Table						
Action Ref	Meeting Date	Min Ref	Action	Reporting Month	Owner	Status Update
1201	04/12/23	2.0	Centrica to consider including a change control table to the Business Plan Information Rules document.	January 2024	Centrica	Closed
1202	04/12/23	2.0	CDSP (JM) to send a list of the outstanding queries in relation to the Business Plan Information Rules document to Andy Clasper.	January 2024	CDSP (JM)	Closed
1203	04/12/23	2.0	Centrica to review the wording around confidential information in the Legal Text and BPIR document in order to ensure they do not become misaligned.	January 2024	Centrica (KI/GE)	Closed