

Minutes Review Group 0334
Post Implementation Review of Central Systems Funding and
Governance Arrangements

Wednesday 16 February 2011

at the ENA, 52 Horseferry Road, London.

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office of Gas Transporters
Mike Berrisford (Secretary)	(MiB)	Joint Office of Gas Transporters
Alan Raper	(AR)	National Grid Distribution
Brian Durber	(BD)	E.ON UK
Clare Cameron	(CC)	Ofgem
David Watson	(DW)	British Gas
Gareth Evans	(GE)	Waters Wye
Graham Frankland	(GF)	Xoserve
Joel Martin*	(JM)	Scotia Gas Networks
Jonathan Wisdom	(JW)	RWE npower
Martin Brandt	(MB)	SSE
Sean M ^c Goldrick	(SMc)	National Grid NTS
Stefan Leedham	(SL)	EDF Energy
Tim Davis*	(TD)	Joint Office of Gas Transporters

* denotes a teleconference link

1. Introduction

1.1. Minutes from the previous meeting

The minutes of the previous meeting were approved.

1.2. Review of Action from the previous meeting

None.

2. Review Group Discussions

*All materials for this meeting are available from the Joint Office of Gas Transporters web site at:
<http://www.gasgovernance.co.uk/0334/160211>.*

2.1. Review of previous discussions

Parties agreed to cover this item during the review of the draft review group report in item 2.2 below.

2.2. Draft report

Those present debated what information should or should not be included within the report. At the same time, BF amended the report on screen and in-line with the discussions.

The main focus points of the discussions centred round the following items:

- Inclusion of the wider industry debate and conclusions detailed in the report;

- Consideration, co-ordination and visibility of overall change programme matters;
- Identification of invoicing processes required once funding model is clear;
- Some concerns voiced around 'silent' votes being taken as approval. It was pointed out that this reflected industry practice;
- Non code user pays falls within the remit of this review group;

When asked, GF agreed to undertake a new action to prepare a Non Code overview presentation for consideration at the next meeting. At the same time, Transporters also agreed to a new action to provide suggestions on how best to manage the process going forward;
- A review of the Agency Charging Statement (ACS) met with support;
- It was suggested that there may be benefit in consideration of invoicing and additional funding mechanisms for the pass through of costs associated to system changes – seeking a transparent solution via transportation charges (this could require subtle changes to the Pricing model). Some parties remain nervous about such proposals, although they acknowledge that if an optional arrangement could be established, this could possibly be supported;

Joint Office (BF) agreed to a new action to provide a link to the examples provided in a previous WWU presentation on this matter whilst capturing the salient points within the draft review group report;
- Codes of Practise (CoP) impacts need to be considered and the basic principles adopted e.g. the use of plain language wherever possible.

Joint Office (MiB) agreed to a new action to add an agenda item for consideration of CoP impacts at the next meeting;
- It was considered desirable to hold post implementation reviews of User pays modifications;
- Consideration was given to what release (implementation) date(s) would be indicated within any modification that may transpire as a result of this review group. It was suggested that a range of dates based around the date when the Authority could/would be expected to make their decision could be included within a Final Modification Report. Alternatively, a simple statement suggesting immediately following any Authority decision could be utilised. CC pointed out that UNC Panel voting should seek to take into account the appropriate relevant objectives, rather than views around possible implementation dates;
- The issue of the possible 'overriding' of a modification proposers proposed implementation dates was debated with CC suggesting that doing so, without clear reasoning and justification, would not be viewed favourably by the Authority. TD suggested that inviting a (non voting) Xoserve member to future UNC panel meetings to provide 'a heads up' on modifications related (in part or wholly) to UKL system release (implementation) dates, where appropriate, maybe beneficial.
- It was suggested that Joint Office could publish a copy of the 2011 UKL system release dates to help inform proposers and notify all users when it is available.

- Discussion took place surrounding the potential role and positioning of an ‘Oversight Committee’. Views remained divided over whether or not this should be separate to, or even replace, the existing UKLink Committee (UKLC) and whether or not there was any real benefit in doing so. It was suggested that engagement with the UKLC earlier in the process would be a more preferable solution or adoption of a workgroup positioned between the UKLC and distribution workgroup could also work.

Consensus on the matter was not reached, however it was agreed that there is benefit to be had in expanding the role of the UKLC to also consider operational and (possibly) any incremental change impacts. It was acknowledged that future technical based discussions should remain the remit of the UKLC.

In summarising, BF suggested that the issues really boil down to how best to obtain a holistic view of any proposed system changes.

- Consensus could not be reached on the matter of alterations to the Xoserve board membership provisions. Some felt that there was little value to be gained from the proposed changes other than to instigate a wider industry debate and pointed out that in recent responses to the Xoserve Stakeholder Engagement consultation exercise, no issues relating to this matter had been raised by parties.

Furthermore, it was suggested that high level discussions between various parties was preferable to a change to the existing Xoserve board arrangements. When asked, some shipper representatives present remained sceptical about the benefits of the proposed changes although they did share some of GE’s concerns regarding Xoserve performance issues. In response, ST felt that ‘drilling down deeper’ to identify the real core issues and concerns would be beneficial;

- In considering the competitive tender processes, GF confirmed that Xoserve currently tender work out over a specific value. ST added that ‘a point of sale’ central systems based option would not be the Transporters preferred option as it potentially exposes their respective Safety Case positions. Additionally, Transporters see Xoserve as providing their service in line with, and in support of, their licence obligations – however, it was acknowledged that some of the current service lines could move out to a third party provision such as the DCC.

In summarising the discussions to date, a new action was placed on all parties present to identify any additional and specific issues/concerns that they may wish to be included within the draft review group report, in time for consideration at the next meeting. In the end, it was recognised that a consensus on some issues could not, and may never, be reached.

3. AOB

None.

4. Diary Planning for Review Group

The Review Group concluded that further meetings would be required to continue development and subsequent completion of the review group report.

In summarising the meeting, the new action items were assigned to various parties, as follows:

RG0334 011: Xoserve (GF) to prepare a Non Code overview presentation for consideration at the next meeting.

RG0334 012: Transporters to provide suggestions on how best to manage aspects of the Non Code processes going forward.

RG0334 013: Joint Office (BF) to provide a link to the examples provided in a previous WWU presentation on this matter whilst capturing the salient points within the draft review group report.

RG0334 014: Joint Office (MiB) to add an agenda item for consideration of the Codes of Practice impacts at the next meeting.

RG0334 015: All parties to identify any additional and specific issues/concerns that they may wish to be included within the draft review group report, in time for consideration at the next meeting.

The next meeting of the review group is scheduled to take place on Wednesday 09 March 2011 at the National Grid Offices, 31 Homer Road, Solihull. B91

ACTION LOG – Review Group 0334

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0334 011	16/02/11	2.2	Prepare a Non Code overview presentation for consideration at the next meeting.	Xoserve (GF)	Update due at next meeting.
RG0334 012	16/02/11	2.2	Provide suggestions on how best to manage aspects of the Non Code processes going forward.	Transporters	Update due at next meeting.
RG0334 013	16/02/11	2.2	Provide a link to the examples provided in a previous WWU presentation on this matter whilst capturing the salient points within the draft review group report.	Joint Office (BF)	Update due at next meeting.
RG0334 014	16/02/11	2.2	Add an agenda item for consideration of the Codes of Practice impacts at the next meeting.	Joint Office (MiB)	Update due at next meeting.
RG0334 015	16/02/11	2.2	Identify any additional and specific issues/concerns that they may wish to be included within the draft review group report, in time for consideration at the next meeting.	All	Update due at next meeting.