

UNC DSC Contract Management Committee Minutes
Thursday 05 March 2020
Via Teleconference

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
Helen Cuin (Secretary)	(HCu)	Joint Office	Non-Voting

Shipper User Representatives (Voting)

Clare Cattle-Jones	(CCJ)	SSE	Class A Voting
Claire Roberts (for Stephanie Clements)	(SR)	Scottish Power	Class A Voting Alternate
Lorna Lewin	(LL)	Orsted	Class B Voting
Steve Mulinganie	(SM)	Gazprom Energy	Class C Voting

Transporter Representatives (Voting)

Helen Chandler	(HCh)	Northern Gas Networks	DNO Voting
Sally Hardman	(SHa)	Scotia Gas Networks	DNO Voting
Richard Loukes	(RL)	National Grid	NTS Voting
Brandon Rodrigues	(BR)	IGT Representative	IGT Voting
Rebecca Cailles	(RC)	IGT Representative	IGT Voting

CDSP Contract Management Representatives (Non-Voting)

Jayne M ^o Glone	(JM ^c)	Xoserve
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Observers/Presenters (Non-Voting)

Angela Clarke	(AC)	Xoserve
David Turpin	(DT)	Xoserve
Guv Dosanjh	(GD)	Cadent
Kevin Duddy	(KD)	ESP
Oorlagh Chapman	(OC)	Centrica
Sian Jones	(SJ)	Xoserve

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dsc-contract/050320>

1. Introduction

Bob Fletcher (BF) welcomed all to the meeting and confirmed the meeting quorate.

1.1. Apologies for absence

Stephanie Clements, Shipper Representative
 Teresa Thompson, NTS Representative

1.2. Alternates

Claire Louise Roberts for Stephanie Clements
 Richard Loukes for Teresa Thompson

1.3. Confirm Voting rights

Representative	Classification	Vote Count
Shipper		

Clare Cantle-Jones	Shipper Class A	1 vote
Clare Roberts (Alternate for Stephanie Clements)	Shipper Class A	1 vote
Lorna Lewin	Shipper Class B	2 votes
Steve Mulinganie	Shipper Class C	2 votes
Transporter		
Sally Hardman	DNO	1 vote
Leteria Beccano for Helen Chandler	DNO	1 vote
Richard Loukes (+ Alternate for Teresa Thompson)	NTS	2 votes
Brandon Rodrigues	IGT	1 vote
Rebecca Cailes	IGT	1 vote

2. Centrica Appeal against CDSP Budget Plan for 2020/21

Dave Turpin (DT) introduced the purpose of the meeting and hoped that all parties had chance to review the appeal documentation and Xoserve’s response documents.

DT proposed that the Committee consider each of the points of the appeal and to seek a view from each of the Committee Members on each of these points to ascertain if parties agree with Centrica’s concerns or if Members continued to endorse the plan as approved.

Referring to Centrica’s Notice of Appeal, DT suggested the Committee should first consider paragraphs 8 to 11.

Paragraph 8 - Funding increase 20%: Steve Mulinganie (SM) noted that this point only applies to Domestic Suppliers/Shippers as the cap does not apply to Non-domestic Shippers and asked for this to be noted in the Xoserve summary.

Paragraph 9 – Funding significant above efficient level required: No feedback provided by Members.

Paragraph 10 – Investment Split: No feedback provided by Members.

SM asked if he could intercept the intention to review every paragraph submitted in Centrica’ Notice of Appeal confirming that he did not support the appeal and suggested the Committee focused on exploring the high-level issues and principles.

DT summarised the key areas that the appeal focussed on, these were:

- All Recommended Investment should be removed from the 2020/21 CDSP Annual Budget in BP20
- Funding for the “Information Security Alignment with NIST” investment should be provided only by those customer classes that request compliance with the enhanced standard.
- Funding for “Moving Infrastructure to the Cloud” should have the same funding split in all years for both initiatives

DT provided a view of recommended investments, and clarified there had been 3 months of consultation, and an opportunity for review had been provided to all customers throughout the period. DT asked for views from the Committee and if they had comments on the process and if the recommended items were in line with expectations. No comments were provided.

BF noting that no feedback was provided that parties can provide a response direct to Ofgem should they wish to provide an individual response.

SM suggested the Committee Members in turn provide a response and that this is captured to record their formal views. Each member provided their response as follows:

Process Followed:

- Clare Roberts – no additional views provided.
- Clare Cattle-Jones – no comments made.
- Lorna Lewin – did not agree with Centrica’s objection or Appeal against the business plan.
- Steve Mulinganie – expressed he was comfortable with the approach set out in the business plan and did not support Centrica’s appeal.
- Sally Hardman – no comments to make about the process. However, SH did agree with the concern raised about the need for additional information to support the process and why the funding was required for specific projects. Sian Jones (SJ) enquired about the provision of information and if this was a timing issue. SH clarified the expectation would be to receive a business case document to support the request for funding for a major project, with objectives and this should be available from the start of the process.
- Helen Chandler – supported the process. HCh provided positive feedback on the Business Plan presented and that the process ran a lot smoother than the previous year with regards to the provision of information and supported the business plan as it stands.
- Richard Loukes – no further comments to make.
- Rebecca Cailles – no further comments to make
- Brandon Rodrigues – no further comments to make

Areas of the Appeal:

DT invited comments on any areas of the appeal.

Guv Dosanjh (GD) referred to Paragraph 33, which Centrica allude to the point that the GDNs can make windfall gains against their funding allowances following the implementation of FGO. He wished to make a statement, that losses can be made and that the GDNs have not made any gains windfall or otherwise from the process currently followed. All GDNs supported this view.

Increased security arrangements:

DT invited comments. No Committee comments were provided. No objections were expressed against the approved funding split.

SM wished to note that all parties would have to have the same provision of security, and there was not an option for reduced or no security to ensure systems and data are protected. DT explained that Xoserve believes an increased level of security is prudent and the proposed security arrangements will benefit all parties.

GD believed the correct process had been followed to manage these proposals.

Cloud Storage:

SM confirmed he continued to support the approach set out by Xoserve.

LL also provided confirmation in support of the process, stressing there had been ample time to object to the plans and proposals.

HCh believed more than enough opportunity had been allowed for parties to provide their views, and mirrored what had been previously said, and was in support of the business plan as approved.

DT confirmed that following discussions today Xoserve would review the notes taken from the meeting and provide a summary of the views for parties to see review before submitting Xoserve’s response to the appeal to Ofgem.

DT outlined the process for reviewing the summary of conversations and confirmed Xoserve’s intention will be to provide a submission to Ofgem before Friday 13 March 2020.

GD enquired about the process for any party who may wish to provide a response to Ofgem. Jayne McGlone (JMc) explained that within 10 business days of receipt of the appeal from Centrica any other DSC customer may submit its opinion or views of the appeal to Ofgem (Licensing@ofgem.gov.uk and jonathan.dixon@ofgem.gov.uk) by 13 March 2020.

Oorlagh Chapman (OC) asked for clarification on who the summary of discussions would be provided to. JMc confirmed the summary of discussions will be provided to the Committee Members and meeting observers present at the meeting. It was clarified that the summary will be circulated to constituency Committee members who may wish to circulate to their constituency members but only parties present can challenge the content of the summary or minutes.

OC asked for the summary provided by Xoserve to outline that any DSC party can send a response to Ofgem by 13 March 2020, and how to do this.

3. Next Steps

The CDSP will provide its opinion in respect of the appeal, to Ofgem along with any other supporting information that is appropriate by close of business on 13 March 2020. A copy of this opinion will be sent to Centrica, the DSC Contract Management Committee and all other DSC Customers.

There is no timescale for Ofgem to make a decision regarding the appeal. If the appeal is upheld, Ofgem will give notice to the Transporters in accordance with Standard Special Condition A15A paragraph 13.

4. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Meetings will take place as follows:

Time/Date	Venue	Programme
10:30 Wednesday 18 March 2020	Lansdowne Gate, 65 New Road, Solihull B91 3DL	Standard Agenda items, and any other matters arising.

Action Table (as at 05 March 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
			No new actions recorded		