

Important notice: this is a living document that will be subject to full legal review ahead of implementation. Full definitions of all terms in the document have not yet been developed. In the 2016/17 transition year, these meetings will continue to manage the ASA contract, with shippers and iGTs attending. This document will form a 'guide' to the governance of these meetings over 2016/17, and will be amended over the course of the year. These Terms of Reference will evolve over the course of the FGO transition year (2016/17) to reflect agreed best practice, and will be subject to a full review prior to full FGO Go Live in April 2017.

Central Data Service Provider Contract Management Review and Steering Group

Terms of Reference

1. Establishment

- a) The Contract Management Review and Steering Group ('the group') was established with effect from the Ofgem imposed Implementation Date of the FGO Arrangements (1st April 2016).

2. Role and purpose of group

- a) The purpose of the Group shall be to review performance and compliance with the CDS contract and to resolve and escalate any issues that any party may wish to raise. The group will also conduct a high level strategic review of the contract and the ongoing relationship between the Service Provider and the Contract Managers.
- b) The group will be the primary body through which the CDSP shares its business planning and budget setting documents with all CDSP parties, through which CDSP parties can provide the CDSP with feedback, and through which the CDSP responds to feedback received and justifies its decisions. Consultation, feedback and sharing of information in respect of the Xoserve Business Plan and Budget shall be managed through the group. The group shall also incorporate the change budget developed by the change management steering group and incorporated by Xoserve's into overall business plan and budget. The budget setting process is assumed to encompass both the statement of Xoserve Business Plan principles and drafts of the Xoserve business plan and budget, and other information as required. The group will work with Xoserve to ensure that the timetable for user engagement with the Xoserve business plan and budget setting process provides:
 - a. Opportunity for all CDSP parties to engage with the Xoserve Business Plan and Budget at each key stage of development; and
 - b. Transparency for all CDSP parties with regard to the information that is made available, feedback received, and Xoserve responses to feedback.
 - c. [Opportunity for CDSP parties to be provided with data and information relating to previous plans and performance as requested in advance of the April 2016 meeting of the group.]

- c) The Group will also review the key performance indicators (KPIs) and management information (MI) reports from the CDSP, including monitoring of performance and spend against the Xoserve business plan and budget. The Group will review service, service disputes and service failures, escalating and resolving these as appropriate.
- d) The group will be responsible for the within year review of forecast CDS Charges to the extent that these vary or are forecast to vary from the values included in the CDS Charging Statement for the relevant Financial Year; and the Re-Plan Process where circumstances require the in year restatement of the CDS Budget and CDS Charging Statement. Xoserve will be responsible for ensuring that any changes are reflected in performance reports against the Business Plan and Budget that are considered by the Contract Management Steering Group.

3. Attendees, including quoracy

- a) Each Contract Manager may, from time to time, by notice to the Secretary appoint (or revoke the appointment of) an individual to be such Representative's alternate.
- b) All CDSP Parties will be entitled to provide one attendee, being the nominated Contract Manager or notified Alternate as appropriate. Attendance from more than one member of each organisation will be facilitated by request to, and at the discretion of, the Chair based on availability of space.
- c) If a Contract Manager ceases, for whatever reason, to be a Contract Manager the appointment of any alternate of the Contract Manager shall also cease. If this occurs, the CDSP party shall provide the Secretary with the names of the replacement Contract Manager and alternate. Contract managers can resign by notifying the chair in writing.
- d) The CDSP will provide a Contract Manager or Alternate and any necessary representatives required for enabling discussion on specific issues as set out in each meeting's agenda.
- e) Group meetings will be quorate when there are two network operator representatives, two shipper representatives and one CDSP representative in attendance¹.
- f) Any meeting of the Contract Management Review and Steering Group at which a quorum is present shall be competent to discharge any and all of the functions within the competence of the Contract Management Review and Steering Group.
- g) If within half an hour from the time appointed for holding any meeting of the Contract Management Review and Steering Group the Chair adjudges that a quorum is not present, or during the course of a meeting the meeting becomes inquorate, the meeting shall be adjourned to a time and place reasonably determined by the Chairman, and, where the meeting is adjourned until later the same day, communicated to those present at the meeting. Where the meeting is adjourned to another date, notice of the adjourned meeting shall be given to all Parties, as if it were a new meeting. If, where the meeting is

¹ [Shipper quoracy requirements to come into force in April 2017.](#)

adjourned to another date, at the adjourned meeting a quorum is not present within half an hour from the time appointed, those Parties represented at the adjourned meeting shall constitute a quorum.

- h) The CDSP Contract Manager or other Contract Manager may (with the agreement of the Chair), from time to time, invite any individual or individuals to attend and speak at all or part of a meeting of the Contract Management Review and Steering Group, and the Secretary shall notify all Representatives of each such invitee (where reasonably practicable prior to the relevant meeting) including the name of each individual invited, the organisation that the individual represents, the date of the relevant meeting(s) and the reason(s) for the invitation.

4. Notice of meetings

- a) Meetings of the Contract Management Review and Steering Group will be convened by the Secretary on not less than ten (10) Working Days prior notice to each Contract Manager, each such notice to specify the place, day and time of the meeting and to enclose a draft agenda and any supporting materials. A finalised agenda will be issued at 5 Working Days before the meeting and confirmation of attendance will be six Working Days before the meeting. If a party raises a short notice issue, the Chair has discretion as to whether to accept it onto the agenda or not.
- b) All notices convening meetings and agenda shall be submitted by the Secretary by electronic mail and by posting to an online portal, as appropriate. Papers and supporting materials shall be circulated to Contract Managers six Working Days before the meeting.
- c) The CDSP will submit an agenda at least six Working Days prior to the normally scheduled meeting. Agenda can include, but shall not be limited to, the following items where discussion is needed:
- Services and Performance indicators
 - Performance and reporting against Xoserve Business Plan and Budget;
 - Variation of any charges against the CDS Charging Statement, and need to initiate re-plan process to restate Charging Statement/ Xoserve budget
 - Invoicing & billing
 - Customer feedback
 - Risk
 - Priority of actions
 - Strategy and key change programmes (including budget approvals and within year approvals)
 - Generic service failures. This would include disputes between Xoserve and multiple parties. Disputes between Xoserve and single parties would not be discussed by the group.
 - Contract pricing
 - Any contract issues parties may wish to raise
 - Recommendations from the Change Management Steering Group
 - Any other business

- d) As required by the timetable for the development, review and approval of the Xoserve business plan and budget, the regular agenda will be supplemented by additional items relating to the Xoserve business planning and budget setting process as follows:
- Xoserve presentation of draft Business Plan principles/ Business Plan/ Budget, including relevant supporting materials required to enable review and consultation, as per clause 2b above;
 - Xoserve presentation on feedback received from CDSP parties on draft Business Plan principles/ Business Plan/ Budget, and actions taken as a result.
 - Xoserve feedback on decisions taken by the Xoserve board in relation to the Business Plan/ Budget
- e) Drafts of the business plan and the budget and any relevant supporting materials shall be circulated to group members 5 days before the relevant meeting.
- f) In addition, the Chair shall have the power to convene extraordinary meetings of the group if an issue arises requiring resolution before the next scheduled meeting of the group. The decision to convene extraordinary meetings shall be the Chair's alone. For extraordinary meetings of the group, 5 working days' notice shall be given, and at this point an agenda for the meeting shall be circulated. The quoracy rules pertaining to scheduled meetings of the group will apply. Working papers for extraordinary meetings shall be circulated two working days in advance of the meeting.

5. Practical arrangements

- a) All meetings are chaired by an independent Chairperson.
- b) Chair may from time to time elect to hold the meeting by teleconference, and teleconference facilities will be provided on request for all meetings.
- c) The CDSP will provide draft minutes from each meeting within five Business Days of the meeting.

6. Decision making

- a) Decisions will be made by the parties [directly] affected having been suitably notified in advance of the requirement to make a decision. With the exception of shippers, companies holding multiple licences will be grouped under a single company level vote. All parties besides shippers will be eligible to vote on changes to the core DSC. Parties eligible to vote on changes to the contract schedules will be identified by parties identified by eligibility criteria in each schedule. Parties eligible to participate in the voting process will be identified by the Chair beforehand. If a party wishes to vote on an issue, but whose contract manager and named alternate are unable to attend the meeting, it shall be able to vote by informing the chair of its position in advance of the meeting.
- b) Constituencies for voting purposes are:
- Transmission and Distribution Shippers
 - Transmission only Shippers
 - Gas Distribution Networks

- National Transmission System (NTS)
 - iGTs
- c) Shippers will not vote on issues that affect them. Instead the range of shipper views on any issue will be communicated to the relevant decision maker, for them to take into account as appropriate.^[K1]
- d) Voting within other constituencies than Shippers shall be by simple majority.
- e) Once each affected constituency has reached a position, decision making shall be by consensus.
- f) The group does not have any powers of decision making with regard to the Xoserve business plan and budget. It is able to make recommendations to the Xoserve Executive with regard to Xoserve's Business Plan and Budget, but its recommendations are not binding on either the Xoserve Executive or the Xoserve Board.
- g) The Xoserve Board would be made aware of any Contract Management Review and Steering Group concerns with regard to the Business Plan Principles at its July meeting, and of any concerns with the draft Business Plan and Budget at its November meeting. The process for reviewing issues will involve Xoserve reporting on the issues raised, the action taken by the Board and the Board's rationale for taking such action. In the event that any concerns remain outstanding when the Xoserve Business Plan is presented for approval by the Xoserve Board at its January meeting, the Xoserve Board would be fully briefed on the extent and nature of those concerns. Parties may also make recommendations to the board.
- h) Xoserve will report back to the Contract Management Review and Group on the outcome of the issues referred to in Section 6E.

7. Escalation and dispute process

- a) Parties will via their Contract Manager use all reasonable endeavours to resolve any dispute, however, where a Contract Manager reasonably believes that the decisions or the failure to make a decision of the Contract Management Review and Steering Group at any meeting meets at least one of the following criteria:
- will or is likely to prejudice unfairly the interests of that Party; or
 - will cause that Party to be in breach of this Agreement; or
 - will cause that Party to be in breach of its Gas Shipper [Supplier] Licence[s] or Gas Transporters Licence (NTS or iGT); or the Gas Act
- it may, within 10 days of the minutes being published notify the Secretary that it wishes to appeal the group's decision, setting out how their appeal meets the criteria for the decision to be reconsidered.
- b) Failure to achieve consensus should be escalated to a mutually appointed and suitably qualified independent arbitrator, where no resolution is reached initially.

- c) If any CDS user considers that the Budget is not fit for purpose, there is a right of appeal to Ofgem.