

Funding, Governance and Ownership Programme Overview Board

Friday 16th January 2015

Minutes of Meeting

Attendees

Joanna Campbell – (JC) – Ofgem
Neil Copeland – (NC) - Ofgem
Alex Travell – (AT) – E.on Energy
Hazel Ward – (HW) – Npower
Graham Wood – (GW) – British Gas
Adam Carden – (AC) - SSE
Marie Clark – (MC) – Scottish Power
Paul Rogers - (PR) – National Grid Distribution
Ruth Cresswell – (RC) – National Grid
Distribution
Sean McGoldrick (SMG) – National Grid
Transmission
Joanna Ferguson (JF) – Northern Gas Networks
Richard Pomroy – (RP) – Wales and West
Utilities
Gethyn Howard – (GH) – IGT Representative
Mayokun Alonge – (MA) - KPMG
Duncan Michie – (DM) - KPMG
Nicola Cocks – (NCo) - KPMG
Nick Salter – (NS) - Xoserve
Martin Baker – (MB) - Xoserve
Hilary Chapman – (HC) - Xoserve
Clare Cantle-Jones - (CCJ) – ENA

Teleconference

Gareth Evans – (GE) – ICOSS
Colin Thomson – (CT) – Scotia Gas Networks
Matt Smith – (MS) – Xoserve

Approval of FGO POB 05/12/14 Minutes

Minutes were approved.

Review of Actions

ACTION 071114-1 Raised – Once Programme Manager is in place, review POB Terms of Reference regarding membership and quoracy requirement – consider open meeting vs membership. - **On Hold**

ACTION 071114-3 Raised – JC and MB to draft topic frameworks in relation to the Industry and Xoserve. JC to provide reiteration of Ofgem conclusions. – **Completed.**

Covered through agenda.

ACTION 071114-4 Raised – Following availability of frameworks, Shipper participants to consider their position on chairing the Industry workstream. – **On hold.**

Glossary

POB – Programme Overview Board
PMO – Programme Management Office
PID – Programme Initiation Document
CDSP – Central Data Service Provider Blueprint – Definition of future FGO Target Operating Model.
Project Plan – Detailed plan to deliver Blueprint.
RACI – Documentation of stakeholder responsibilities and accountabilities, also defines who needs to be consulted and who needs to be kept informed

Summary of Discussion Points:

Introduction of Programme Manager

KPMG have been appointed as the FGO Programme Manager. The team is comprised of:
Nicola Cocks – FGO Programme Manager.
Mayokun Alonge – FGO PMO.
Duncan Michie – Engagement Leader

Other team members not present were:
Jacob Kane – FGO PMO
Alistair Buchanan – Engagement Sponsor

Programme Initiation Document (PID).

Presentation from KPMG of the draft PID. This is a living document to be developed and owned by the POB. Participants are invited to review and provide feedback on the PID to KPMG by 12.00 noon Wednesday 21st January.

ACTION 160115-1

Input from POB participants to be garnered through two open meetings (to be scheduled) in addition to bilateral meetings as required.

ACTION 160115-2

KPMG's initial observations of the programme are as follows:

Timescales and engagement

Challenging timescales to meet April 2016 – early and effective mobilisation is required with engagement and commitment from all participants. There may be the requirement to consider contingency arrangements and identify the 'quick wins' to assist with prioritisation.

A clear strategy is also required to engage those parties who may not attend POB meetings – the approach to meet this wider audience is to be considered.

ACTION 160115-3

Programme Governance

A Programme Governance framework is required to ensure that decisions can be taken when required, in order to avoid delays to the programme. Consideration to be given as to how to ensure participants have the delegated authority to make the relevant decisions on behalf of their organisation, and to ensure that they can be engaged as such as well as understanding when a decision will be required at a given meeting. Once taken, decisions are to be held within a decision log.

ACTION 16012015-4

Blueprint

Setting out a clear target operating model is required, with a view to minimising any change in scope to only that which is necessary and unavoidable. This will be achieved through creation of a blueprint, which will detail the design and success criteria, alongside the target model.

Key Milestones identified in the PID

Five Phase approach proposed in PID. Key milestones as follows:

- PID to be approved at February POB.
- Detailed plan to be presented at February POB,.
- Workgroup meetings to commence March/April.
- Blueprint for Target Operating Model April
- Development of topics from April – November.
- Delivery from July (early deliverables)- February.

Other Matters

Consideration is required as to how to ensure the needs and requirements of the industry (as defined in blueprint) continue to be met beyond implementation of alternative arrangements in April 2016.

There is a working assumption that there will be no system changes, however this may vary depending on the agreed blueprint – for example invoicing changes might require system changes and this would therefore require reconsideration of the timescales. Avoiding changes to central systems does not

necessarily preclude other participants' systems requiring changes – for examples Shippers may need to arrange for new invoicing arrangements should new payment lines be added in relation to the CDSP.

New funding arrangements are expected to impact existing Licence and Price Control arrangements – Ofgem are to engage with the GTs and iGTs.

Dependencies such as the above are to be identified (including any long-lead items) at the February POB following presentation of project plan.

The term 'Board' could refer to Xoserve company board or a board overseeing the CDSP activities – there is the need to identify where representation would be best placed to achieve desired outcome – for example a more inclusive Change Management meeting

The agreed strategy is that UNC/iGT UNC changes should progress well on the basis that all decisions and agreement would be sought through the POB in advance of the Modifications being raised. Modifications will require legal text and workgroup/Panel consideration – the timings of these should be considered and may differ between Codes. Consideration of other changes required – for example, impact on SPAA

Topics Update:

Xoserve has prepared a suite of topic papers which are based on the Conclusions originally provided by Ofgem. Details of the structure and content of the papers can be found on slide 3.

<http://www.gasgovernance.co.uk/sites/default/files/FGO%20POB%20Topics%20Update%2020150116.pdf>

The topic papers will be published following the meeting – POB participants are invited to review and send comments to Xoserve by 23 January. The suggestion is that the papers will constitute part of the POB document library.

Xoserve will consolidate feedback and share with POB members. The topic papers will ultimately feed into the Blueprint to ensure that the Programme has a single set of documents.

ACTION 16012015-5

Ofgem Update:

JC reminded the group of the importance of attendance and engagement.

Conclusions from the 2014 regulatory consultation are likely to be published towards the end of February.

In relation to the review of Price Controls – Ofgem consider that the GTs and iGTs are the primarily affected parties and therefore will be engaging them as such, with updates provided to Shipper parties, including via consultation.

Diary Planning:

13th February – POB

March – early and late POBs to be scheduled

April – POB meeting to approve Target Operating Model

Consolidated Actions:

Action Ref	Action	Status
071114-1	Once Programme Manager is in place, review POB Terms of Reference regarding membership and quoracy requirement – consider open meeting vs membership.	On hold
071114-3	JC and MB to draft topic frameworks in relation to the Industry and Xoserve. JC to provide reiteration of Ofgem conclusions.	Completed
071114-4	Following availability of frameworks, Shipper participants to consider their position on chairing the Industry workstream.	On hold
160115-1	All parties to provide comments to KPMG on PID by noon Wednesday 21 st January.	Raised
160115-2	KPMG to propose dates and locations for open meetings to review PID in greater detail.	Raised

160115-3	Consider the strategy for engagement of industry organisations (e.g Trade Associations) and parties that do not attend POB.	Raised
160115-4	KPMG (DM) to liaise with Xoserve to identify contact details of decision makers within organisations. Compile and circulate a RACI.	Raised
160115-5	Parties to review and provide comments to Xoserve on topic papers ahead of February POB by close of business Friday 23 rd January. Xoserve to consolidate and provide to KPMG by close of business Wednesday 28 th January.	Raised