

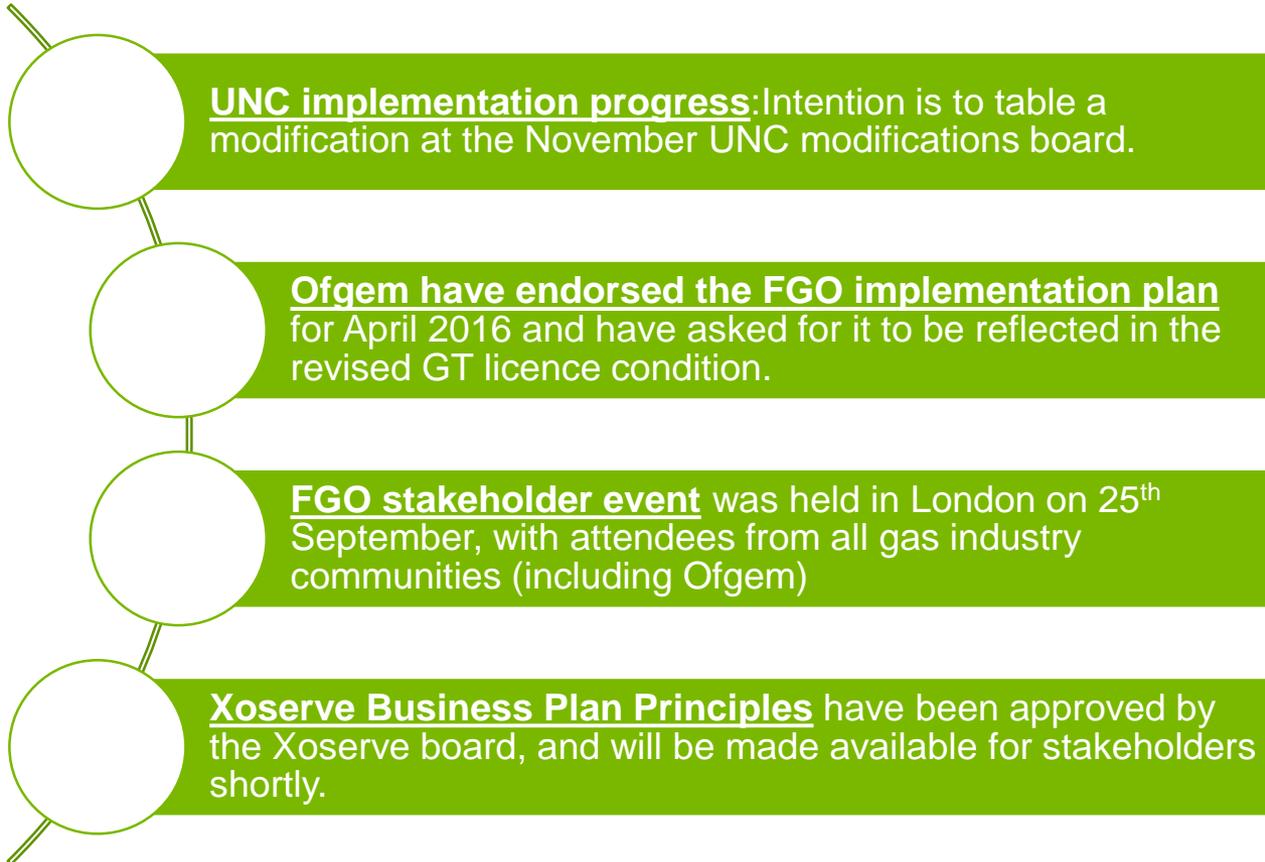
Xoserve FGO

Monthly update

29th September 2015

FGO programme update – Executive summary

The FGO programme continued to progress throughout September.



FGO programme update – Executive summary

FGO workgroups continue to develop detailed FGO deliverables. Highlights are:

Business plan and budgeting

- Xoserve Business Plan Principles have been circulated to POB, and will be made available to the wider industry shortly

Charging and cost allocation

- Charging methodology being developed based on identification of users of ASA service lines and Xoserve cost base breakdown.

CDS governance

- Terms of Reference refined and discussed for change and contract management groups.

Corporate governance.

- Draft Xoserve board Terms of Reference reviewed at 21st September workgroup

Obligations and contracts

- Review of ASA completed to scope legal redrafting exercise, summary of review to be presented to POB on 11th September.

FGO programme update – September 2015 activities

Work area	Update
POB meetings	<p>11th September meeting</p> <ul style="list-style-type: none">• Group discussed timings for the drafting of new CDSP customer contracts;• Dentons advice on drafting initial UNC modification was also discussed;• Xoserve corporate governance arrangements were discussed, including: eligibility requirements for directors, voting arrangements, nomination processes, removal of board members;• Timeframes for Xoserve business planning and budget setting process also discussed. <p>Next meeting on 9th October</p>
Stakeholder Event	<p>Held at Royal Horseguards Hotel, London on 25th September</p> <ul style="list-style-type: none">• Attended by representatives from all gas industry constituencies, including Paul Branston from Ofgem• Ofgem indicated they were happy with the proposals outlined in the August transition paper• Speakers gave an update on FGO progress so far under each workgroup, together with next steps, and what the FGO solution will mean for CDS users.• Session closed with a panel Q&A <p>Copy of stakeholder guide provided alongside monthly update</p>

FGO programme update– September 2015 activities

Work area	Update
Business plan and budgeting	<p>Topics discussed at POB</p> <ul style="list-style-type: none">• Xoserve have finalised their Business Plan Principles and these were shared with POB prior to 11th September meeting.• September stakeholder event publicised Business Plan Principles with industry. Routes of dissemination with wider community (such as Sharepoint site, Xoserve and Joint Office websites) still to be finalised. <p>Aim is for all parties to provide feedback on the interim process as it progresses, with a further workgroup planned in the Autumn.</p>
Charging and cost allocation	<p>Workgroup held on 21st September</p> <ul style="list-style-type: none">• The workgroup revisited initial agreed charging and cost allocation principles, noting general agreement, whilst also noting that user pays discussions would need to be revisited at some point.• Short-term focus on gathering as much information as possible for parties to be able to adequately engage with Ofgem’s funding review activity, due to kick off in October / November 2015.• Agreement that new services would need distinct cost allocation methodology, while avoiding cross-subsidisation.• The group agreed that more detail needed to understand cost allocation at an individual service line level <p>Next workgroup on 12th or 16th October</p>

FGO programme update– September 2015 activities

Work area	Update
Governance - CDS	Topics discussed at POB <ul style="list-style-type: none">• Revised draft terms of reference for the contract management and change management groups circulated to 11th September POB, and comments received. No further workgroups scheduled

FGO programme update– September 2015 activities

Work area	Update
Governance - Corporate	<p>Workgroup held on 21st September, plus discussions at POB 11th September.</p> <ul style="list-style-type: none"> • Matters raised at POB included: <ul style="list-style-type: none"> - Potential for review of new board arrangements; - Arrangements for ensuring board has sufficient specialist expertise; - Board subcommittee arrangements; and - Remuneration and performance management. • Workgroup carried out in-depth review of draft Terms of Reference for Xoserve board. Issues covered included: <ul style="list-style-type: none"> - Membership of board - Appointments process - Remuneration and performance management <p>No further workgroups scheduled</p>
UNC obligations and contracts	<p>Topics discussed at POB on 11th September.</p> <ul style="list-style-type: none"> • The GTs have been working with Dentons to seek a legal view on amendments to Section 6.5 of Section V of the UNC, and a number of other associated modifications. The aim is to commence the UNC modifications process at the November modifications board and move to implement FGO. GTs will meet to discuss a draft UNC modification on 7th October and will present to POB on 9th October <p>No further workgroups scheduled- discussion of UNC modification at 9th October POB</p>

Further information

Meeting dates and locations are available on the Joint Office website

All POB, workgroup and programme materials are available on the FGO SharePoint site

- Email FGOcentral@kpmg.co.uk to receive login details

Please contact FGOcentral@kpmg.co.uk for any queries or assistance

If you would like to attend a scheduled meeting, then please email FGOcentral@kpmg.co.uk to confirm your attendance



Thank you