

The Voice of the Networks

Xoserve Funding, Governance and Ownership Review

Moving Forward



Industry Meeting, 13 May 2014

- Xoserve becomes gas industry 'Central Data Services Provider'
- Scope of central data services provided by Xoserve is kept whole
- Charges to GTs for central data services are fully recoverable
- Central data services requirements continue to be subject to industry governance
- Service outputs and funding requirements are determined through industry facing Business Planning process, approved by Xoserve Board
- Central data services are provided on a 'not for profit' basis
- Xoserve Board is reconstituted to include GT and Shipper 'representatives'
- Xoserve retains latitude to develop / provide additional services
- Networks continue to hold shares in Xoserve, but ownership and control separated

Moving Forward: Considerations

- Delivery Programme
 - Scope
 - Structure
 - Governance
- Programme Timeline
- Risks, Issues and Dependencies
- Questions for Discussion
- Next Steps

Delivery Programme: Potential Scope

Conclusions require changes to be made in these areas

Amend Licences and /
or UNC to require
participation in CSP
funding and
governance

Replace GT *ex-ante*
allowed revenues with
'pass through'
arrangement

(Re-)positioning of
Code (and Licence)
service obligations

Cost allocation and
charging methodology

Invoicing and credit
risk management

Customer Contracts

Funding and financing
model

Articles and
constitutional docs

Business planning and
budget setting

Share ownership
status

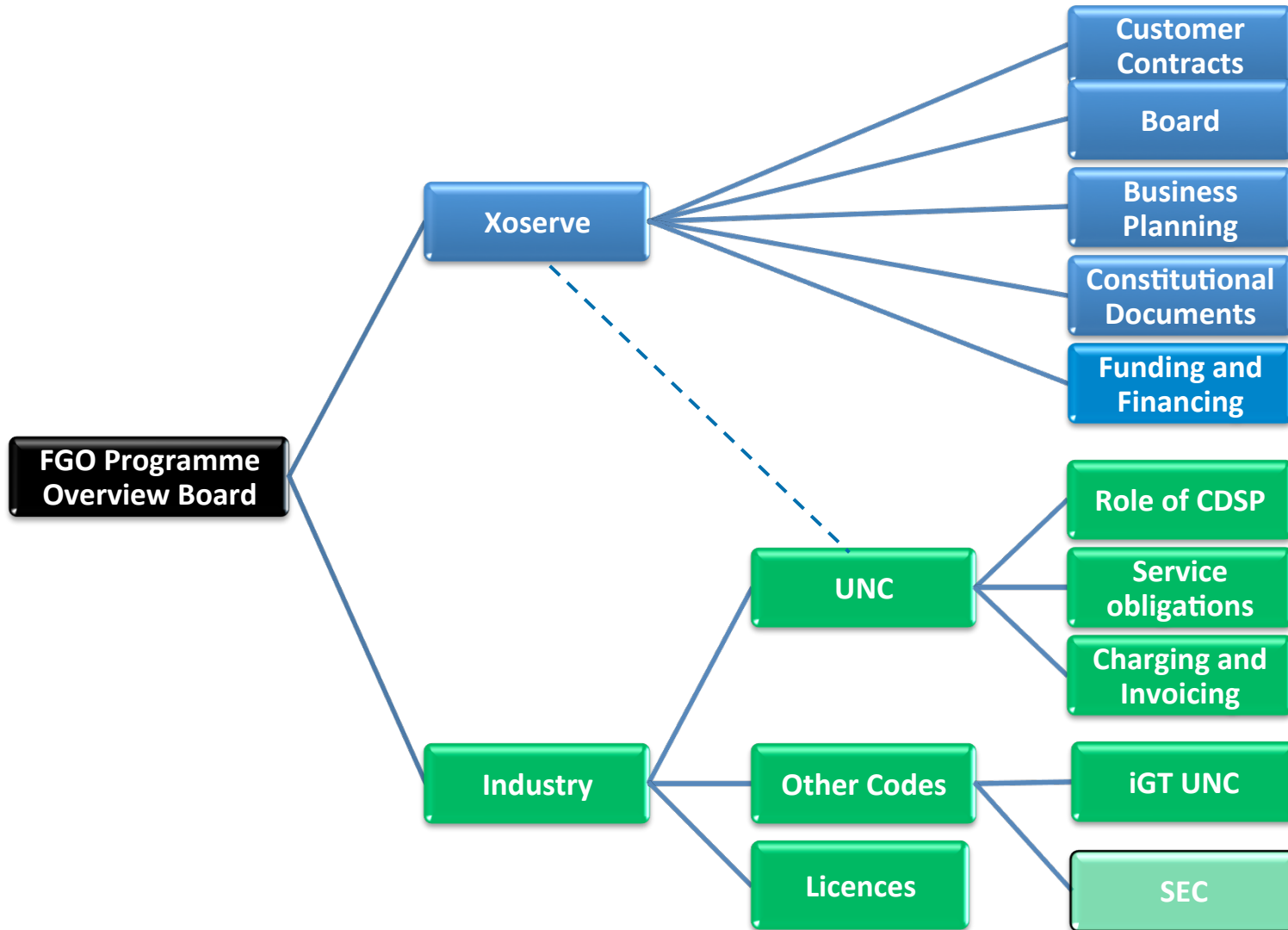
Corporate governance

Vision, goals and
strategy

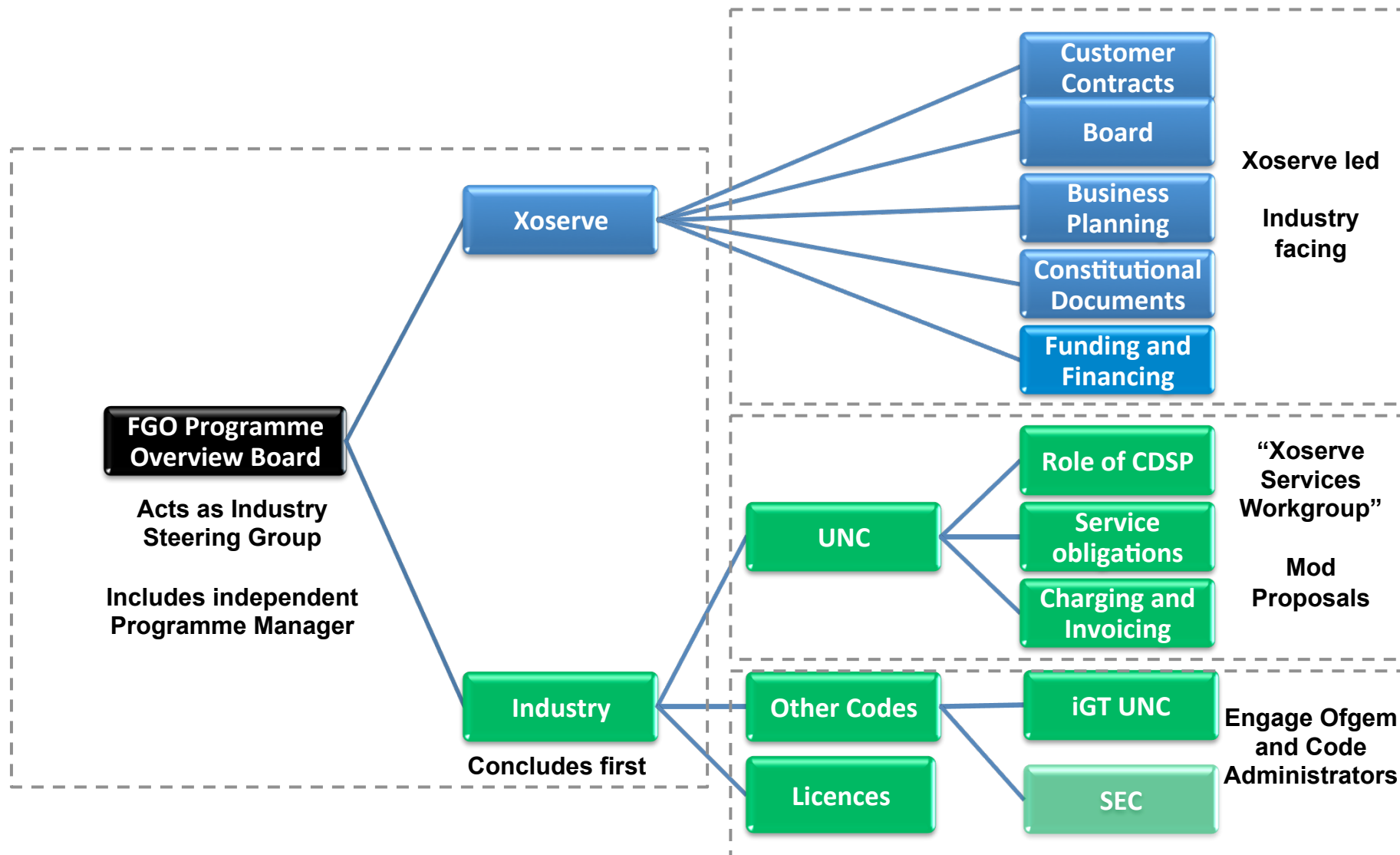
Industry

Xoserve

Delivery Programme: Potential Structure



Delivery Programme: Potential Governance



Delivery Programme: Potential Timeline

Stakeholder Engagement

Engage
3 months

Scope and Plan
6 months

Develop
12 months


Transition
3 months

- Views on scope, structure and governance
- Desired outcomes
- Appoint Programme Manager

- Develop UNC Mod Proposals
- Other industry Code changes
- Licence amendments
- Corporate and contractual changes
- Transition and implementation plan

- Define scope of work, incl. UNC Mods
- Agree workstreams
- Define governance
- Risk register
- Programme plan

- Cutover
- Training and awareness
- Implementation [April 2016]
- Post-implementation review

 Stage progression decision point

Risks, Issues and Dependencies

- Agreement of scope and approach
- Resource availability
- Other industry priorities
- Appointment of Programme Manager
- Establishment of FGO Programme Overview Board
- Clarity of Ofgem's role
- Modification development timescales
- Ensure cross-industry buy-in to revised arrangements

Questions for Discussion

- What are your aspirations for Review outcomes?
- What are your thoughts on Programme scope, structure and governance?
- How should the FGO Programme Overview Board be constituted?
- Is the Programme timeline realistic? Is it sufficiently ambitious?
- What do you see as the key risks, issues and dependencies?
- How would you like to be engaged on FGO Review matters?

Next Steps

- Appointment of Programme Manager
- Establishment of FGO Programme Overview Board
- Establishment of UNC Review Group
- Future engagement and communication