

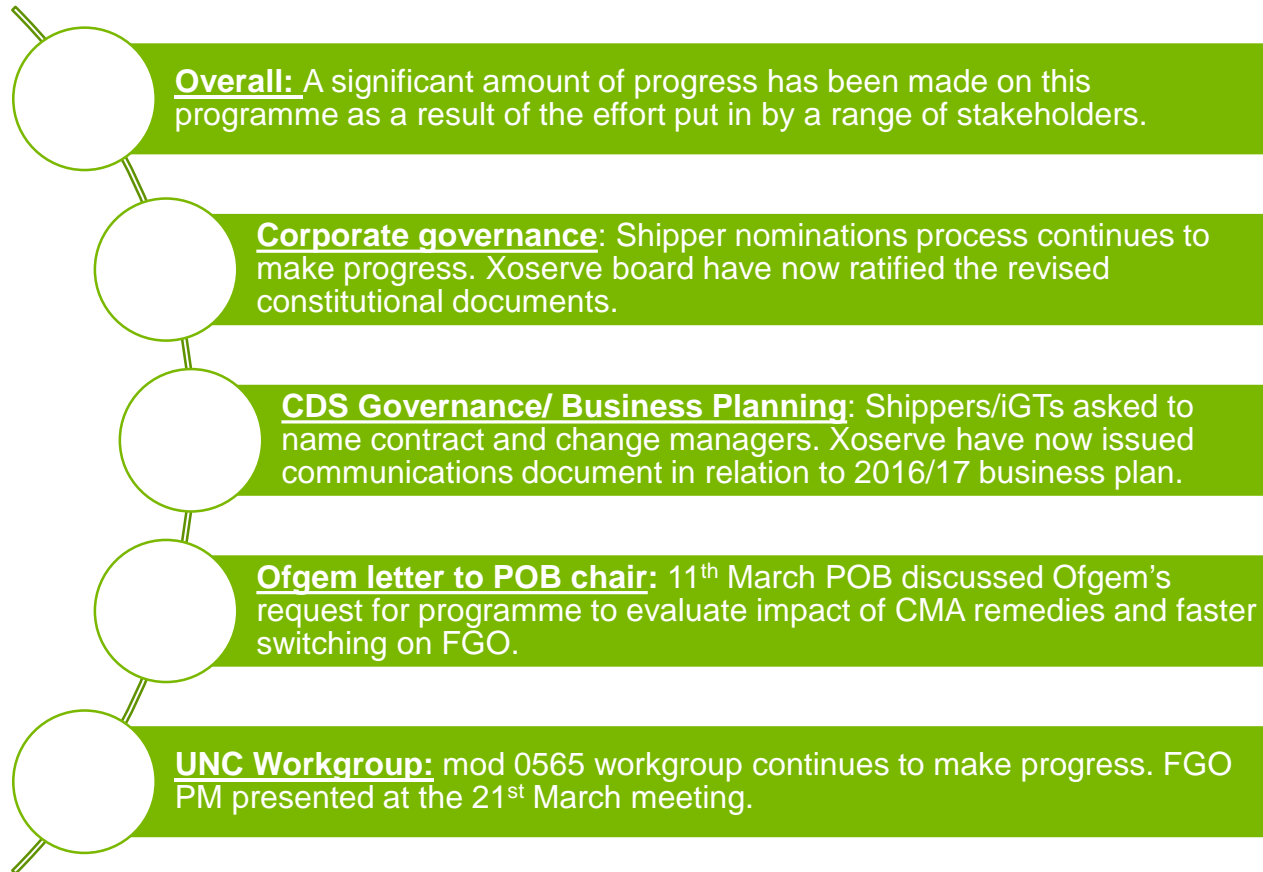
Xoserve FGO

Monthly update

1st April

FGO programme update – Executive summary

The FGO programme continued to progress throughout March, ahead of the implementation of Phase 1 of the programme on 1st April:



Transitional arrangements for 1st April 2016 will go ahead as planned.

FGO programme update – March 2016 activities

Work area	Update
POB meetings	<p>11th March meeting</p> <ul style="list-style-type: none">• It was recognised that this was the last POB meeting prior to the commencement of the transition year and all parties were thanked for their significant contribution to the implementation of Phase 1 of the FGO Programme. .• The Shipper nominations committee had proposed a number of small amendments to the Shipper nominations process, which had been circulated to Shippers for agreement.• KPMG carried out a number of planning sessions with Xoserve, looking to put together a clearer direction for the enduring Phase of the FGO programme, whilst being mindful of the need for further dependency management and the potential increase in external interactions.• The POB meeting considered whether the CMA's (summary of provisional remedies¹) report gave rise to any additional considerations that should be included in POB's response to Ofgem, with the group agreeing that there were no real "showstoppers" contained within the CMA's report.• The group agreed on a letter to be sent to Ofgem highlighting the progress that has been made to date and key considerations as the programme moves towards the implementation of Phase 2.• Ofgem confirmed that they would be releasing a draft of the GT licence condition for an informal consultation prior to initiating a statutory consultation. Ofgem further expressed their intention to release a response to their consultation dated February 2014 in order to close out this consultation. Ofgem indicated that these documents would be published towards the end of March. Ofgem confirmed that the programme should continue to deliver as planned. <p>Next POB meeting will be held on 8th April</p> <p>¹ https://assets.digital.cabinet-office.gov.uk/media/56e1974ae5274a036b000018/Energy_PDR_Summary_March_2016.pdf</p>

FGO programme update – March 2016 activities

Work area	Update
Charging and cost allocation	<p>No workgroup held during March</p> <ul style="list-style-type: none">• Ofgem issued a request for information to the GTs asking for cost information for the remainder of the GD1 period. The PM circulated the Xoserve/GT response (sent to Ofgem on 29th January) on 3rd March, including an FGO paper summarising the cost allocation process and methodology for the submission.• Significant further work is required to develop the cost allocation approach and detailed charging methodology that will be implemented from April 2017.• Further work remains in highlighting the key interactions between charging work and the outputs of the UNC modification 565 workgroup, up until, as well as after the submission of the modification proposal.• Once the deliverables have been developed further they will be submitted to the UNC 565 workgroup for review and to incorporate into the DSC as appropriate.• Draft principles for charging which were last discussed at workgroup on 1st February. These are due to be built on at the next workgroup meeting. <p>Next charging and cost allocation workgroup – 5th April</p>
CDS Governance	<p>No workgroup held during March</p> <ul style="list-style-type: none">• Revised Terms of Reference for Contract Management and Change Management groups have been developed through numerous workgroups and were endorsed by POB for passing to the UNC workgroup on 11th March.• These Terms of Reference are a starting point for enduring arrangements which will be developed by the UNC workgroup and implemented through the modification proposal <p>No further workgroup sessions planned – CDS groups commence on 13th April (Contract Management) and 14th April (Change Management)</p>

FGO programme update – March 2016 activities

Work area	Update
Business Plan and Budget Setting	<p>No workgroup held during March</p> <ul style="list-style-type: none">• To date the programme has delivered: revised CDS Terms of Reference; revised proposed business planning process diagrams; Xoserve deliverables documents detailing business planning processes and the dissemination of Xoserve business plans from previous years.• Going forward Xoserve will confirm process timings and issue a commitment statement for 2016/17.• Xoserve have now circulated a 2016/17 business plan communication.• The business plan and budget setting process will continue to benefit from lessons learned under the ASA groups between April and September 2016. these lessons will be extracted through discussions at the UNC 565 workgroup and incorporated into the Terms of Reference for the enduring arrangements. <p>No further workgroup sessions planned – CDS groups commence on 13th April (Contract Management) and 14th April (Change Management)</p>
Corporate governance	<p>No workgroup held during March</p> <ul style="list-style-type: none">• The Programme has delivered a set of revised constitutional documents and terms of reference for adoption for the transitional period, with further work needed in the introduction of the enduring arrangements for April 2017.• Xoserve have confirmed that all necessary changes have been made to the constitutional documents for the arrangements in the transition year.• For the transition year, the Shipper Nominations Committee has been established and the process is underway – the process was endorsed by POB on 11th December. <p>Next workgroup session – tbc (w/c 25th April)</p>

FGO programme update – March 2016 activities

Work area	Update
Contracts and Obligations	<p data-bbox="297 339 811 375">No workgroup held during March</p> <ul data-bbox="297 418 1843 753" style="list-style-type: none"><li data-bbox="297 418 1843 561">• To date, the FGO Programme has provided an opportunity for a review of both the contractual arrangements and the allocation of obligations between parties under existing arrangements, with specific consideration of the need to provide greater transparency, inclusivity and involvement for all users of CDS services.<li data-bbox="297 568 1843 675">• All work developed within the Programme has now been handed over to the UNC0565 workgroup in order for them to move forward with the contracts and obligations aspects, with a view to placing appropriate mechanisms within industry codes.<li data-bbox="297 682 1843 753">• Further contract work will also need to be delivered in tandem with the UNC outputs, which will be driven by Xoserve and relevant service providers. <p data-bbox="297 825 884 861">Next UNC workgroup meeting 6th April</p>

Further information

Meeting dates and locations are available on the Joint Office website as well as the FGO sharepoint site.

POB meeting dates have been circulated out to the end of March 2017.

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

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