

**Minutes Review Group 0334**  
**Post Implementation Review of Central Systems Funding and**  
**Governance Arrangements**  
**Friday 05 November 2010**  
**via Teleconference**

**Attendees**

Tim Davis (Chair)	TD	Joint Office
Bob Fletcher	BF	Joint Office
Alan Raper	AR	National Grid Distribution
Andy Miller	AM	xoserve
Chris Warner	CW	National Grid Distribution
Clare Cameron	CC	Ofgem
David McCrone	DM	ScottishPower
Gareth Evans	GE	Waters Wye
Graham Frankland	GF	xoserve
Lorraine Kerr	LK	ScottishPower
Jemma Woolston	JWo	Shell
Joanna Ferguson	JF	Northern Gas Networks
Joel Martin	JM	Scotia Gas Networks
Jon Wisdom	JWi	RWE npower
Martin Brandt	MB	SSE
Sean McGoldrick	SP	National Grid NTS
Simon Trivella	ST	Wales & West Utilities

**1. Introduction**

TD introduced the meeting and explained the Review Group process to the attendees.

**2. Outline of Proposal**

GE introduced the proposal and its aims such as informing the discussions for the forthcoming RIIO review and capturing experience to date with the User Pays process.

**3. Review Group Terms of Reference**

TD ran through the draft terms and reference and invited comments.

On the scope, ST asked if the UNC process primarily referred to the User Pays guidance document. GE agreed this should be included though not exclusively, as the main aim is to look at the process from a high level - it is not a page turning review.

TD asked what is required for the next meeting in terms of actions. GE felt the first meeting should focus on the high level obligations and how people consider these

should work. GF offered to provide an overview, from xoserve's perspective, of the proposals which have gone through the User Pays process.

AR asked if the second bullet point is about the funding of xoserve. GE confirmed it is aimed at finding out the flow of money when a change is agreed. AR asked if this includes price control allowances. GE felt there was a need to understand this aspect as a key part of the context. TD asked if this should be considered an overview rather than review – this was agreed.

ST asked if the reference to the electricity industry is in general or just related to central systems funding. GE suggested it was related to the Elexon change process. TD asked if this should be extended as Elexon is equivalent to a small part of xoserve, and this was agreed. JWi suggested those with electricity industry experience could bring their views forward.

**Action RG0334001 Shippers/Suppliers to bring forward their experiences of funding system changes from the electricity industry.**

CC suggested the terms of reference might include looking at if there was an option to consider competition in any of the services provided and how this could work. GE accepted this could be within scope, though he had not initially considered this option.

AR asked if the review applies to Distribution only or does it include Transmission such as the Gemini system, for which funding is different. GE confirmed the intent was to include Transmission. AR suggested it would help if the scope of central systems was defined.

ST asked if code and non-code User pays services were to be included in the review – which could help ensure parties understand the difference and whether there should be any changes to the process. ST also suggested the review could look at alternative mechanisms for funding, particularly for low value changes.

CC asked if the review should consider possible impacts from the Codes Governance Review. GE felt there might be impacts, which are identified when the review process is underway so it should not be out of scope.

TD confirmed that the terms of reference would be amended and published based on the comments received during the meeting. Further comments on the revised document would be welcome, but otherwise the Terms of Reference would be submitted to the Modification Panel for Approval.

Items for discussion at the next meeting were agreed as:

xoserve to provide a presentation on experiences with proposals that have gone through the User Pays process.

Transporters to provide an overview of funding arrangements for central systems.

GE to identify Proposals, which should be analysed during the Review to help identify what worked well and what did not.

ST to present proposal on pass through of costs.

**4. AOB**

None raised.

**5. Diary Planning for Review Group**

Next meetings:

22 November 2010

7 January 2011.

**ACTION LOG – Review Group 0334**

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
RG0334 001	05/11/10	3.0	Shippers/Suppliers to bring forward their experiences of funding system changes from the electricity industry.	Shippers (All)	Pending