

UNC Workgroup 0565 Minutes
Central Data Service Provider: General framework and obligations
Monday 03 October 2016
at Dentons, One Fleet Place, London, EC4M 7RA

Attendees

Andrew Meaden	(AM)	Dentons
Andy Miller	(AMi)	Xoserve
Bob Fletcher (Chair)	(BF)	Joint Office
Charles Wood	(CWo)	Dentons
Colette Baldwin	(CB)	E.ON
David Mitchell	(DM)	Scotia Gas Networks
Chris Warner	(CWa)	National Grid Distribution
Gethyn Howard	(GH)	Brookfield Utilities
Karen Visgarda (Secretary)	(KV)	Joint Office
Mark Cockayne*	(MC)	Xoserve
Michael Walls*	(MW)	ES Pipelines
Richard Pomroy*	(RP)	Wales & West Utilities
Sean McGoldrick	(SMc)	National Grid NTS
Steve Mullinganie*	(SM)	Gazprom
Sue Hilbourne	(SH)	Scotia Gas Networks

*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0565/031016>

The Workgroup Report is due to be presented at the UNC Modification Panel during November 2016.

1.0 Introduction and Status Review**1.1. Approval of Minutes**

The minutes of the previous meetings had already been approved in the 29 September 2016 meeting.

2.0 DSC**2.1 Contract Management Arrangements**

The drafting was reviewed. CWo explained the changes had been minimal and he 'walked through' the document highlighting certain areas of specific interest in relation to the changes or amendments to the previous version.

Under the area of 2.4 Business Continuity, SM requested further clarification regarding the wording as detailed:- 2.4.4 *The objective of the Business Continuity Plan is, in the event of a business continuity incident, to ensure business critical processes are maintained to a minimally acceptable level until operations affected by the incident are recovered; and in the case of loss of systems, to ensure arrangements are in place for the recovery of critical systems within specified timescales.*

SM said he wanted more detail in reference to the acceptable level of business critical processes and if it protected consumers, as Shippers/Suppliers are required to do.. He wanted consideration of what would be a priority as in certain circumstances Shippers/Suppliers have licence obligations and they may want certain systems prioritised over others to meet these. AMi said that this area would need input from the Committee regarding specific scenarios and these incidents would be managed in a priority manner, as and when they occurred. AMi also said this process was in the plan under the ASA, and was detailed in the Terms of Reference

section.

CWo continued to overview the document and explained there had been some word changes regarding point 3.4 Confidentiality, 3.4.1 a),b),c) and d) *the report or discussion concerns a dispute with the Customer which has not been resolved after the steps in paragraph 5.3.2(a) to (d), and the CDSP considers that disclosure of the identity of the Customer is in the interests of Customers generally or of achieving the DSC Objectives.]*

GH asked in relation to the point d) as above, if there was an issue or a dispute, would the Committee publish the minutes, which could contain sensitive and confidential information. AMi said that Xoserve have areas on their website which has restricted access and that this might be included as an option to publish sensitive information of this nature. BF advised that currently, EBCC minutes are published on the Joint Office website, however, sensitive information is restricted. Following a lengthy and general discussion surrounding these areas, CWo said he would amend the wording in this section to reflect the outcome of these discussions.

CWo then completed the overview of the document and explained that point 6.3 Information Disclosure, 6.3.1 would be completed in due course.

2.2 Third Party Services Policy

The drafting was reviewed by CWo. He explained there had been some slight word changes. A general discussion took place in relation to point 2.3 Conditions for providing Third Party Services, section 2.3.1 (e) *the aggregate amount of the CDSP's turnover attributable to Third Party Services does not, and will not as a result of entering into the TPS Agreement, exceed [5%] of the CDSP's overall turnover;*

The discussion surrounded the 5% of the CDSP's overall turnover and a 2.5% figure was proposed. However, following a further lengthy discussion, it was agreed the figure of 5% with a 'carve – out' would be acceptable. CWo said he would amend the wording accordingly.

CWo then moved on to section 4 Reporting, explaining this was still yet to be written and was in progress. A general discussion took place as to the types of the reporting that would be included and if specific constraints would be accounted for, specifically in relation to past historical issues, for example Faster Switching etc.

2.3 Transitional Arrangements (including financial transition)

The drafting was reviewed by CWo. He explained there had been some slight word changes and a few additions in certain areas, but these were minimal. He highlighted the fact that sections 7.3 Identifying Relevant Nexus Costs and 7.4 Identifying Nexus Defects were presently still under discussion.

2.4 Credit Policy

The drafting was reviewed. MC explained the changes and said these had been produced between DT, Dentons and Xoserve jointly, clarifying that they leaned on the Credit Policy used for Energy Balancing. MC continued to 'walk through' the document and highlighted specific word changes in the appropriate sections.

CB asked if there would be a set of Credit Rules from Day 1, and MC confirmed this was correct and that these were being drafted at the present time. He confirmed these would be made available the week ending Friday 14 October 2016, however, he said these were onerous in length and could be scaled back as appropriate as there was a significant difference between DSC credit requirements and Energy Balancing. He proposed the amount of detail would be helpful and could be 'cut back' as was deemed suitable.

New Action 0565/1001: Xoserve (MC) to publish the DSC Credit Rules by close of play on Friday 14 October 2016.

MC then overviewed point 3.5 Credit Risk Management by the CDSP, which initiated a lengthy general discussion regarding the points as listed below: _

3.5 Credit risk management by the CDSP

3.5.1 Where a Customer's DSC Indebtedness:

- (a) exceeds 85% of the Customer's DSC Credit Limit, the CDSP shall give the Customer notice to that effect;
- (b) following notice under paragraph (a), exceeds 100% of the Customer's DSC Credit Limit, the CDSP will notify:
 - (i) the Customer to such effect and request the Customer provide additional DSC Security in such amount as required to reduce the Customer's DSC Indebtedness to below 100% of the Customer's DSC Credit Limit;
 - (ii) in the case of a Customer who is a Shipper User, each Transporter;
 - (iii) in the case of a Customer who is a Transporter, the Authority.

3.5.2 Without prejudice to paragraph 3.5.3, where a Customer fails to provide additional DSC Security where requested by the CDSP by the date specified in the CDSP's notice under paragraph 3.5.1:

- (a) the Customer shall pay the CDSP in respect of each day up until (and including) the day on which the Customer provides the additional DSC Security the amount specified in the table below:

Amount of additional DSC Security	Daily Amount
< £1000	[]£40
£1,000 to £10,000	[]£70
> £10,000	[]£100

- (b) subject to paragraph 3.5.1, where and for as long as the Customer's DSC Indebtedness exceeds 100% of the Customer's DSC Credit Limit

- (i)
- (ii) the CDSP shall suspend the provision of any Specific Service, Additional Service or Third Party Service which the CDSP is providing to the Customer until such time as the Customer's DSC Indebtedness is reduced to less than 100% of the Customer's DSC Credit Limit.

3.5.3 Subject to paragraph 3.5.1, where and for as long as the defaulting Customer's DSC Indebtedness for the time being exceeds 100% of the Customer's DSC Credit Limit, the CDSP may convene a meeting of the Committee and the Committee may authorise the CDSP issuing a [DSC Default Notice]to the defaulting Customer and where the Committee authorises the issuing of such notice the CDSP will send a [DSC Default Notice] to:

- (a) the defaulting Customer; and
- (b) in the case of a defaulting Customer who is:
 - (i) a Shipper User, a copy of the notice to each Transporter and the Authority;
 - (ii) in the case of a Customer who is a Transporter, a copy of the notice to the Authority.

The general discussion encompassed the credit limit arrangements and what would happen in the situation of a breach, together with the indebtedness process. CB said some of the above points needed greater clarification and explanation, as this was not presently clear, especially regarding what was the specific trigger in relation to issuing the notice to the Transporters regarding a default. In addition, CB wanted to understand why Customers were not advised of a Transporter default, where as Transporters were advised of a Shipper default. MC agreed to amended the wording in this section and provide clarity regarding the process that would be

undertaken.

New Action 0565/1002: Xoserve (MC) to review the Credit Policy process, to provide clarity in respect of issuing the notice to the Transporters regarding a default.

SH sought clarity in relation to a default becoming a bad debt and questioned how that would be shared out within the Industry and if it would be classed as a bad debt or whether the Industry would be expected to cover this? MC said it would be seen as a contractual exposure and it would be linked back to the Charging Methodology. CWO said he would discuss this aspect further with Martin Baker (MB) to ascertain what the process would be.

New Action 0565/1003: National Grid Distribution (CWA) to discuss with MB the area of indebtedness and how this would be linked to the Charging Methodology in relation to contractual exposure.

3.0 Consideration of Workplan Topics

The Workgroup did not discuss or review the Work Plan in this meeting.

4.0 Review of outstanding actions

0565/0907: RP Wales & West Utilities to arrange for FGO to be added to the SPAA agenda in relation to communication schedules for the October Meeting.

Update: Deferred until 26 October 2016 meeting. **Carried forward**

0565/0908: CWA National Grid Distribution to investigate whether the CDSP would act as an agent for Transporter when receiving an update to the C&D Store from a meter installer.

Update: Deferred until 26 October 2016 meeting. **Carried forward.**

0565/0909: CWA National Grid Distribution to reflect on the process regarding data flows and meter reading in reference to Modification 0455.

Update: Deferred until 26 October 2016 meeting. **Carried forward.**

0565/0910: CWA National Grid Distribution to look at the UK Link User Agreement in relation to what it requires existing Trader Users to sign up to.

Update: Deferred until 26 October 2016 meeting. **Carried forward.**

0565/0911: CWA to arrange for a draft UK Link User Agreement to be made available for review.

Update: Deferred until 26 October 2016 meeting. **Carried forward.**

0565/0912: Shippers to provide feedback regarding if they want this retained as a Transporter function.

Update: Deferred until 26 October 2016 meeting.

5.0 Next Steps

BF reiterated the importance for the overall 'suite of the documents' being completed and ready for the Workgroup Report and the need for the UK Link Manual to also be completed.

6.0 Any Other Business

None raised.

7.0 Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Time/Date	Venue	Workgroup Programme
10:00 Tuesday 11 October 2016	Elexon, 4 th Floor, 350 Euston Road,	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> • Introduction and FGO framework

	London NW1 3AW	<ul style="list-style-type: none"> • Approach to sequencing of UNC/DSC changes in conjunction with Project Nexus arrangements • General Terms • Transportation Principal Document (TPD) <ul style="list-style-type: none"> ○ Section G ○ Section H ○ Section M • Transition Document • Modification Rules
10:00 Monday 17 October 2016	Dentons, One Fleet Place, London EC4M 7RA	<p>FGO Workgroup and Workgroup 0565</p> <ul style="list-style-type: none"> • Framework Agreement • DSC Terms and Conditions • Credit Policy • Contract Management
10:00 Tuesday 18 October 2016	Dentons, One Fleet Place, London EC4M 7RA	<p>FGO Workgroup and Workgroup 0565</p> <ul style="list-style-type: none"> • Services • Budget and Charging Methodology • Change Management • Third Party Services • Transitional Arrangements including financial transition
10:00 Wednesday 26 October 2016	Elexon, 4 th Floor, 350 Euston Road, London NW1 3AW	<p>FGO Workgroup and Workgroup 0565</p> <ul style="list-style-type: none"> • Finalise Workgroup Report
10:00 Tuesday 01 November 2016	Elexon, 4 th Floor, 350 Euston Road, London NW1 3AW	<p>FGO Workgroup and Workgroup 0565</p> <ul style="list-style-type: none"> • Finalise Workgroup Report

Workgroup 0565 (as at 03 October 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0565/0901	07/09/16	2.0	Xoserve to review and consider providing a draft or sample Business Continuity Plan as a DSC supporting document.	Xoserve (AM/SG)	Closed

0565/0907	29/09/16	2.0	RP Wales & West Utilities to arrange for FGO to be added to the SPAA agenda in relation to communication schedules for the October Meeting.	Wales & West Utilities (RP)	Carried forward <i>(Due 26 Oct 16)</i>
0565/0908	29/09/16	2.0	CWa National Grid Distribution to investigate whether the CDSP would act as an agent for Transporter when receiving an update to the C&D Store from a meter installer.	National Grid Distribution (CWa)	Carried forward <i>(Due 26 Oct 16)</i>
0565/0909	29/09/16	2.0	CWa National Grid Distribution to reflect on the process regarding data flows and meter reading in reference to Modification 0455.	National Grid Distribution (CWa)	Carried forward <i>(Due 26 Oct 16)</i>
0565/0910	29/09/16	2.0	CWa National Grid Distribution to look at the UK Link User Agreement in relation to what it requires existing Trader Users to sign up to.	National Grid Distribution (CWa)	Carried forward <i>(Due 26 Oct 16)</i>
0565/0911	29/09/16	2.0	CWa to arrange for a draft UK Link User Agreement to be made available for review.	National Grid Distribution (CWa)	Carried forward <i>(Due 26 Oct 16)</i>
0565/0912	29/09/16	2.0	Shippers to provide feedback regarding if they want this retained as a Transporter function	All Shippers	Carried forward <i>(Due 26 Oct 16)</i>
0565/1001	03/10/16	2.0	Xoserve (MC) to publish the DSC Credit Rules by close of play on Friday 14 October 2016.	Xoserve (MC)	Pending
0565/1002	03/10/16	2.0	Xoserve (MC) to review the Credit Policy process, to provide clarity in respect of issuing the notice to the Transporters regarding a default.	Xoserve (MC)	Pending
0565/1003	03/10/16	2.0	National Grid Distribution (CWa) to discuss with MB the area of indebtedness and how this would be linked to the Charging Methodology in relation to contractual exposure.	National Grid Distribution (CWa)	Pending