

UNC Workgroup 0565 Minutes
Central Data Service Provider: General framework and obligations
Wednesday 06 April 2016
31 Homer Road, Solihull, B91 3LT

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Cuin (Secretary)	(HC)	Joint Office
Alex Ross-Shaw	(ARS)	Northern Gas Networks
Andrew Margan	(AMa)	British Gas
Andrew Meaden	(AMe)	Dentons
Andy Miller	(AMi)	Xoserve
Angela Love*	(AL)	ScottishPower
Azeem Khan	(AK)	RWE npower
Charles Wood	(CWo)	Dentons
Chris Warner	(CWa)	National Grid Distribution
Colette Baldwin	(CB)	E.ON
David Tennant	(DT)	Dentons
David Mitchell	(DM)	Scotia Gas Networks
Gethyn Howard*	(GH)	Brookfield Utilities UK
Richard Promroy	(RP)	Wales & West Utilities
Sean McGoldrick	(SMc)	National Grid NTS
Steve Mulinganie*	(SMu)	Gazprom
Sue Hilbourne	(SH)	Scotia Gas Networks

* *via teleconference*

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0565/060416>

The Workgroup Report is due to be presented at the UNC Modification Panel by 20 October 2016.

1.0 Introduction and Status Review**1.1. Approval of Minutes (21 March 2016)**

The minutes of the previous meeting were approved.

2.0 Overview

CWa summarised the purpose of today's meeting and discussions, with the intention on focusing on the work Dentons have undertaken on the UNC drafting. He confirmed a number of documents had been published on the website:

1. Republished Framework Diagram – to make it more clear on the code interactions
2. Legal Text Sections G and H
3. Legal Text Section U – outlining the effects to UK Link
4. Republished General Terms Document – outlining the changes to solicit feedback
5. Timeline
6. Workplan

CWa was keen to consider the Workplan and published a process timeline to ensure the reporting date is achieved and the modification will progress through the formal Modification process to enable an implementation date of 01 April 2017. He highlighted that the Workgroup will need to consider DSC and its change control process and how to take forward these options at the 18 April meeting.

RP enquired if parties ought to consider if there are other alternatives to the method proposed. CWa was keen to consider the change control process as this would be challenging and may take some time to resolve. CWa wanted to understand in terms of the potential approaches the benefits and advantages of each against the existing proposal. AL confirmed that the MRA arrangements had been put forward as a potential alternative approach and offered to present some further information to aid discussions at the next Workgroup meeting.

SMu suggested that each approach should be measured against an agreed set of principals, including equitability, fairness and transparency, to test the suitability of each of the potential models. CB suggested the Workgroup may not be able to achieve complete agreement on a particular model and that Ofgem may have to be presented with an alternative approach.

CWa highlighted that it was his intention to try to keep to one modification if possible so only one option could be taken forward.

RP requested that parties who have particular views on the model need to bring these to the table as soon as possible to inform the Workgroup. It was agreed that participants should present their views at the next meeting, as the timescales for consideration would be extremely tight.

Action 0401: Participants who have a view on an alternative governance model to submit a presentation in advance of the next meeting to aid consideration.

Presentations expected are: MRA model (AL), Proposed SPAA model (SMu), Current (SMc), Sub-committee options (CWa), Provide a list of Questions to be addressed by alternative governance options (CWo).

3.0 Framework Diagram – FGO: Structure of DSC

CWo presented a framework diagram to explain how the DSC agreement and UNC will align, and the possibility that the DSC could be changed by a Code modification.

The diagram detailed some of the DSC example Service Documents. The Change Control element set out how the DSC Service Documents could be changed and that it could be bespoke to different processes for example UKLink Committee has a different governance structure compared to UNCC. SMu asked in the change control document would be controlled only by a UNC modification. CWo suggested this approach would seem a sensible option. AL believed the Workgroup needed to consider the current change control of each of the listed service documents and whether the current arrangements could be carried over or if they should be amended due to the changing environment.

CWo provided a further example of making changes for UK Link, explaining that the UNC Section U would require a UNC modification but the UK Link Manual would not require a UNC modification, as it would have its own change process through the UK Link Committee. This provided the Workgroup with a good example of how a tailor made process could be managed. However, CWo asked parties to be mindful that this particular consideration does not preclude any answers as to what it should adopted.

SMu enquired if Ofgem may have a view on governance. CWa explained there would be roll for Ofgem to approve contentious or material changes but there was a push from Ofgem particularly in the current Code Governance Review for encouraging self-governance.

SH asked what the plans were for the inclusion and approach recommended by the FGO programme such as the charging methodology. CWo explained that the principal view would

be that the charging methodology would sit under the DSC and would sit separately from the UNC.

SMu expressed the need to have clarity. CWa explained any work undertaken by the FGO programme workgroups will need to be included within the debate when developing the DSC arrangements and to ensure the documents are fully developed as much as possible. SH was concerned about the timing of incorporating the FGO elements, CWa recognised the sooner the Workgroup started work on the DSC the better, to ensure the process is joined up.

SMu had some concerns of the information/process provided by the FGO programme workgroups, he was concerned that these were not given full industry scrutiny, as they were not UNC workgroups.

AMi explained that certain elements including cost assessment and charging methodologies would be handed over from the FGO programme. He wanted all parties to be clear that the Charging Methodology is being discussed within the FGO Programme and that the output of that group will slot into the DSC, he stressed if parties wish to be involved they need to become involved with the FGO workgroup. AL explained the difficulties some Shippers particularly Scottish Power have with the KMPG organising short notice meetings and that Scottish Power are considering an alternative modification to ensure their views were not missed as they were not able to support the KMPG process as it was poorly managed.

CB stressed the importance of the work undertaken by the FGO programme and parties need to become involved in the process to get their views over, she emphasised that the programme has been in operation for 18 months and all parties have had the opportunity to be involved. CB stressed that there will not be time to completely discount the developments the FGO programme have made. SMu and AL did not want to discount what the FGO had undertaken but to stressed that the outcomes from the FGO are not necessarily a done deal.

BF re-assured the Workgroup that any document, which is attached as part of the modification would need to be assessed by the Workgroup.

SMu stressed that the FGO programme workgroups need more input and without broader input they will find it difficult to come up with a methodology that is acceptable. SMC understood the concerns about the governance and control of certain elements certainly in the terms of gravitas, however rather than debating the "why and for" of where elements are being considered the Workgroup needed to agree on how to take things forward. AL reiterated her concerns about the administration of the FGO programme arranging short notice meetings and the costs it is forcing on the industry when they are not able to plan their attendance at such meetings.

AMi enquired how much time the Workgroup believed it required to incorporate the FGO programme outputs. SH was concerned how the information was going to be promptly exchanged between the UNC and FGO programme workgroup, how is this going to be coordinated as it creating risk against the overall programme. SMu believed the charging elements need to be brought into Workgroup 0565 as soon as possible; he expressed a preference that all aspects need to be considered by the UNC workgroup.

The Workgroup considered the co-ordination and communications required between POB, FGO and Workgroup 0565. It was agreed all needed some form of feeder report to coordinate the overall approach. CWa agreed to liaise with Paul Rogers and obtain feedback from the POB.

AMi wished to understand if the Workgroup were in general agreement with the DSC structure presented. The structure was broadly agreed but further detail would be required.

SMu asked if the Change Control process would be incorporated with the Change Control Document, he wanted to understand the full remit of implementation. He enquired about the concept of sub-committees and would this be an expansion of the current change control process. CWo explained this has to be somewhere as part of the DSC, the process will be

controlled but the set up may not necessarily require a UNC modification, the process will potentially be expanded from the existing change management steering group and adapted to suit.

GH expressed concern about iGT representation, having equitable voting arrangements and having an input to the change process on equal terms, he suggested different voting might need to be considered for the Change Control process. He highlighted at the moment iGTs only have one vote proposed under the UNC and this may not be suitable going forward. AMi believed the change control rules do need to take into account changes under the UNC where parties will be affected. AMi raised a similar point that Xoserve will be a party to the DSC contract currently without voting rights under the UNC modification process.

SMc asked about non-code services and whether the framework should acknowledge how this will fit in. CWo explained that there will be a bespoke services policy and this needs to be captured, he asked participants to note that there may be times where only those parties that benefit from a service, vote in its change control process. A rule will exist in the DSC to allow the provision of non-code services.

4.0 UNC Section G

DT provided Section G and explained the key changes, which need to be made to reflect the existence of the CDSP and replacing the references to the Transporter where appropriate.

CB enquired if the elements that refer to GT licence services need to clearly reflected. DT believed this was covered in the definition of the Agency services. The Workgroup considered the nature of the services provided as licence services. It was agreed this would be re-examined.

DT explained that further consideration would need to be made as to whether there should be a distinction between LDZ and NTS supply points.

CWo also highlighted that currently the UNC does not identify data flows between Xoserve and the Transporter, and in the future these may need to be considered.

AMa enquired about the blanket replacement of the term Transporter with the term CDSP, as the CDSP is not a party in the UNC. He specifically asked about CDSP breaches and how breaches could be managed ie. who would parties turn to in terms of a breach, would this be the CDSP or Transporters. CWo explained the mutual nature of Xoserve and that it will have its own board. If the CDSP fails to deliver a service an action would be taken under the DSC or if it is a significant failure against the board of Xoserve. AMi explained that the executive team are ultimately responsible for ensuring the CDSP comply with their obligations under the UNC and DSC. AMa explained at the moment if Xoserve did not deliver this would be raised via the Transporters. AMi explained pressures would be applied to the executive team for under performance of Xoserve under the DSC.

CWo explained that there has been an attempt to limit the changes to the UNC by replacing Transporter with CDSP. Currently Xoserve are discharged the service but the obligations stay with the Transporter.

The Workgroup briefly considered the areas of Transporter/Xoserve discretion within the AQ activities and the lack of opportunities for manual intervention in terms of the rolling AQ process being implemented with Project Nexus. AMi suggested each area of discretion would need to be identified and reviewed to assess if it will still be applicable.

0402: Xoserve to identify which areas within UNC allow them to use their discretion and if so is this still appropriate.

DT explained there might be a need to provide a provision within the UNC for the Transporters to have access to information in the Supply Point Register. SMu enquired about certain parties such as DECC who have certain access rights to information, and if DECC approached Xoserve, who would Xoserve obtain permission from to release this

information; currently they would approach the Transporters. CB believed general permissions would also need to be considered. AMi was mindful that further considerations need to be made about the provision of data.

CWo explained that there would be a need to legitimatise the exchange of data and have a framework that caters for data release. CWa suggested that the scope of data release beyond current provisions might need to be excluded from the scope of this modification not rather than to widen the scope. However, SMu suggested that if elements can be lifted and shifted from other documents these could be reasonably included.

The Workgroup was keen to arrange a meeting to allow Lawyers to review all the legal text and a page turning exercise on the changes to the UNC. It was agreed this could be scheduled in July. CWo suggested to aid the process and avoid a line-by-line review, parties would need to provide views on areas, which needed the focused discussion so these could be prioritised.

It was acknowledged that the UNC is under constant change and a baseline of the UNC will be required to ensure all changes are reflected in the baseline text to use as a foundation to work from. This current baseline had been used to illustrate/highlight the areas that will require change but it was recognised the baseline would need to be examined to include recent industry changes such as faster switching.

SMu asked if there could be separate website page for the key documents, similar to Project Nexus, it was agreed to publish key supporting legal text documentation in a separate area.

DT highlighted the need to consider current liabilities and compensation rules. AMi acknowledged some elements will remain unchanged but some elements will need to be changed. AL suggested that some discussion might need to take place in POB. However, a number of parties wished to keep the compensation rules with Workgroup 0565 discussions.

CB suggested that without the clarity it would be difficult to consider liabilities and compensation rules. SMu suggested future liabilities, compensation rules, and funding needs to be registered as a risk and considered at a point in time when there is more certainty.

It was agreed to table liabilities for further consideration at the next meeting.

5.0 Section H

DT provided Section H and the areas, which required changes for Demand Estimation Demand Models, sampling data and the Demand Estimation Sub-committee.

Action 0403: National Grid (CWa) to ensure the Demand Estimation Sub-committee are aware of the proposed changes to UNC Section H and obtain a view.

6.0 TPD and EID

DT provided the draft documents highlighting the TPD and EID changes.

BF enquired about changes to the EBCC rules and future changes would be managed. SMu enquired about data flows and confidentiality and if anything needs to be addressed. CWo recognised there are some questions around information and confidentiality that needs to be considered.

DT confirmed there are other areas that need to be looked at such as Section V, iGT UNC and iGTAD.

7.0 Section U – Categorisation

CWo provided a draft document highlighting the changes to Section U and the UK Link manual.

A table was included to summarise the provisions and categories for party to consider offline. It was agreed all participants should review the provided documents and provide any feedback.

8.0 Timeline / Workplan

CWa provided a UNC and DSC workplan which identified the work required. DT confirmed the timeline for DSC would be populated following a meeting with Xoserve.

CWo recognised that DSC considerations may wish to be considered on a separate day to the UNC to ensure both could be adequately covered. CB challenged there may not be enough meetings planned to develop and understand the interactions with the UNC and DSC contracts. It was anticipated some additional meetings might have to be organised.

SMu asked about the legal review meeting. It was suggested that by July text should be available. SMu suggested early planning of the Legal meeting to arrange availability of Lawyers. It was agreed to schedule the meeting on 25 July 2016 at Denton's office.

CWa provided a suggested UNC process timeline including the signatures process required for the DSC.

AMi was concerned about the time being allowed for the signatory process and that the modification timeline may need to be shortened. AMi strongly believed implementation was already at risk and there was no room for slippage based on the 01 April 2017 implementation date. He wished to understand the drivers for the 01 April 2017, where is this directed?

The Workgroup considered that if the modification was not in a position to report to Panel in October 2016, it may not be possible to implement the full effect of the modification by 01 April 2017. The Workgroup considered the mitigation and the importance of achieving 01 April 2017. SMu wanted to understand the mitigating circumstances and what is driving this date. It was understood that the licence obligation would make a reference to 01 April 2017.

The Workgroup were concerned with Ofgem's engagement and if they were aware of the current tight timescales and ability to sufficiently develop, assess and implement the required changes to both UNC and DSC. A number of participants stressed concern about the lack of Ofgem attendance at Workgroup meetings and the importance of Ofgem being fully involved and engaged.

AMi expressed grave concerns of accepting a licence obligation and trying to achieve the delivery for 01 April 2017. He believed based on the work required this programme was already at risk. AMi outlined all the considerations that need to take place and that the current programme allowed no slippage.

The Workgroup agreed that Ofgem need to be engaged within the 0565 process to ensure they are kept fully informed of developments and are aware of the risks associated.

The Workgroup considered whether a letter should be provided to Ofgem highlighting the risk to implementation. BF confirmed a Panel agenda item would be tabled to allow discussion and how best to encourage Ofgem attendance at future Workgroup meetings.

AMi explained there will be a number of system changes required to Shipper systems to enable the payment of invoices and all Shippers will need to order services to ensure deliverability from 01 April, in addition to signing of the DSC and setting out the required work orders.

SMc asked about the amendment of charges and the processes associated with notifications. SMc believed all of the aspects needed to be assessed and the timing of each of these aspects to ensure Ofgem are fully aware of what needs to be undertaken.

AMi explained that Xoserve are feeding into POB. He suggested the DSC and charging framework could be developed on time within the timescales prescribed but there is a risk

that not all parties will be happy with the DSC, which could delay development and agreement.

9.0 Review of outstanding actions

0102: Timeline/Workplan to be developed.

Update: Developed and published. **Closed**

0201: Ofgem to consider the concept of a multi service provider CDSP.

Update: View required at the next meeting. **Carried Forward**

0303: National Grid Distribution (CWA) to investigate possible UNC Modification related route into a change order process.

Update: Change Order Process deferred until to the next meeting. **Carried Forward**

0304: National Grid Distribution (CWA) to look to provide some suitable options for the proposed (Code / Non Code sub-committee) solution model(s).

Update: Deferred until to the next meeting. **Carried Forward**

0305: In relation to action 0304, National Grid NTS (SMc) to look to provide an outline of his preferred option for the proposed (Code / Non Code) management group.

Update: Deferred until to the next meeting. **Carried Forward**

10.0 Next Steps

AMi enquired about inclusion of the charging considerations and the potential to involved charging experts.

CWA also enquired about the articulation of any additional risks and issues along with mitigating actions. AMi confirmed he would be raising a risk relating the charging methodology and what mitigation needs to be considered.

11.0 Any Other Business

None raised.

12.0 Diary Planning

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

Workgroup meetings will take place as follows:

Time / Date	Venue	Workgroup Programme
10:00 Monday 18 April 2016	Energy UK, 5-11 Regent Street, London SW1Y 4LR	Timeline / Workplan Update DSC Contract Update – Further Position Paper Liabilities TPD Section M First Draft Feedback on Section U Consider alternative UNC Modification route Consider suitable options for Code / Non-Code sub-committee solutions iGT & iGTAD Position Paper Consideration of Risk / Issues Log

10:00 Wednesday 04 May 2016	Solihull	Timeline / Workplan Update DSC Contract Update Liabilities DSC Governance Consideration of Risk / Issues Log
10:00 Wednesday 18 May 2016	Elexon, 4 th Floor, 350 Euston Road, London, NW1 3AW	Timeline / Workplan Update DSC Contract Update GT B7 (third draft with iGT provisions) DSC Governance (final position) TPD G & H (2 nd draft) TPD M (2 nd draft) TPD U (1 st draft) TPD & EID (2 nd draft) iGT & iGTAD (1 st draft for iGTAD) Miscellaneous MR, GT & TD and DSC transition (first draft) Consideration of Risk / Issues Log
10:00 Wednesday 01 June 2016	Solihull	Timeline / Workplan Update DSC Contract Update Consideration of Risk / Issues Log
10:00 Monday 20 June 2016	London	TPD U (2 nd draft) iGT & iGTAD (2 nd draft for iGTAD) Miscellaneous MR, GT & TD and DSC transition (second draft)
10:00 Wednesday 13 July 2016	Solihull	GT B7 (1 st consolidated) TPD G & H (1 st consolidated) TPD M (1 st consolidated) TPD U (1 st consolidated) TPD & EID (1 st consolidated) iGT & iGTAD (1 st consolidated) Miscellaneous MR, GT & TD and DSC transition (consolidated) Consideration of Risk / Issu(ces Log
10:00 Monday 25 July 2016	Dentons	UNC Legal Meeting DSC Contract Update
10:00 Wednesday	Solihull	GT B7 (2 nd consolidated)

03 August 2016		TPD G & H (2 nd consolidated) TPD M (2 nd consolidated) TPD U (2 nd consolidated) TPD & EID (2 nd consolidated) iGT & iGTAD (2 nd consolidated) Miscellaneous MR, GT & TD and DSC transition (2 nd consolidated) Consideration of Risk / Issues Log
10:00 Tuesday 23 August 2016	London	Timeline / Workplan Update DSC Contract Update Consideration of Risk / Issues Log
10:00 Wednesday 07 September 2016	Solihull	Development of Workgroup Report
10:00 Wednesday 21 September 2016	London	Development of Workgroup Report
10:00 Wednesday 05 October 2016	Solihull	Conclusion of Workgroup Report

Action Table (06 April 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0102	06/01/16	3.0	Timeline/Workplan to be developed	National Grid (CWA)	Closed
0201	03/02/16	4.0	Ofgem to consider the concept of a multi service provider CDSP.	Ofgem	Carried Forward
0303	21/03/16	4.0	To investigate possible UNC Modification related route into a change order process.	National Grid Distribution (CWA)	Carried Forward
0304	21/03/16	4.0	To look to provide some suitable options for the proposed (Code / Non Code sub-committee) solution model(s).	National Grid Distribution (CWA)	Carried Forward
0305	21/03/16	4.0	In relation to action 0304, to look to provide an outline of his preferred option for the proposed (Code / Non Code) management group.	National Grid NTS (SMc)	Carried Forward

Action Table (06 April 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	06/04/16	2.0	<p>Participants who have a view on an alternative governance model to submit a presentation in advance of the next meeting to aid consideration.</p> <p>Presentations expected are: MRA model (AL), Proposed SPAA model (SMu), Current (SMc), Subcommittee options (CWa), Provide a list of Questions to be addressed by alternative governance options (CWo).</p>	All	Pending
0402	06/04/16	4.0	Xoserve to identify which areas within UNC allow them to use their discretion and if so is this still appropriate.	Xoserve (AMi)	Pending
0403	06/04/16	5.0	National Grid (CWa) to ensure the Demand Estimation Subcommittee are aware of the proposed changes to UNC Section H and obtain a view.	National Grid Distribution (CWa)	Pending