

UNC Workgroup 0565 Minutes
Central Data Service Provider: General framework and obligations
Monday 20 June 2016
Elxon, 4th Floor, 350 Euston Road, London, NW1 3AW

Attendees

Andrew Margan*	(AM)	Centrica
Andy Millar	(Ami)	Xoserve
Angela Love	(AL)	ScottishPower
Azeem Khan	(AK)	RWE npower
Bob Fletcher (Chair)	(BF)	Joint Office
Charles Ruffell	(CR)	RWE
Chris Warner	(CWa)	National Grid Distribution
Colette Baldwin	(CB)	E.ON
David Mitchell	(DM)	Scotia Gas Networks
David Tennant	(DT)	Dentons
Karen Visgarda (Secretary)	(KV)	Joint Office
Michael Walls*	(MW)	ESP Pipelines
Neil Copeland	(NC)	Ofgem
Sean McGoldrick	(SMc)	National Grid NTS
Steve Mulliganie	(SM)	Gazprom
Sue Hilbourne	(SH)	Scotia Gas Networks

*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0565/200616>

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 (01 June 2016)

The minutes of the previous meeting were approved.

2.0 General Terms Section B7

DT explained nothing had yet been done in relation to GT B7.

3.0 TPD Sections G & H

DT confirmed that Section G was unchanged and Section H had minor amendments. CWa asked CB if she could ask Sallyann Blackett for her views on the latest version of Section H, CB said she would make enquiries.

4.0 TPD Section M (2nd draft)

DT said that Section M was unchanged from the previous version.

5.0 TPD Section U (2nd draft)

DT advised that principles were proposed in the paper detailed in 10.3.3 below.

6.0 Other TPD Sections & EID (if needed)

DT said the remaining sections of TPD would be evaluated at the meeting on 25 July 2016 as changes would be minor in nature.

7.0 iGT and iGTAD (2nd draft for iGTAD)

Not discussed.

8.0 Transition (1st draft)

Not discussed.

9.0 Miscellaneous including MR (1st draft)

Not discussed.

10.0 DSC Contract Update

3.1 'FGO – Terms and Conditions – Drafting Update Following Workgroup Meeting on 01 June 2016'

DT provided an overview of the paper, explaining this had been discussed in the meeting on 01 June 2016. He reiterated this paper was not covering historic liabilities and was not looking at the liabilities going forward. Both SM and CB expressed concern that historic liabilities were not going to be covered at this time as they were expecting a paper to be brought forward at this meeting and requested the issue is addressed asap.

0565/0601: Dentons (DT) and National Grid Distribution (CWA) to produce, explaining the approach to historic liabilities, including the transition process from existing the process to the new process.

DT explained the various aspects of the liabilities in the document and how it is proposed they should be managed. SMC raised a concern about the liabilities faced by National Grid NTS specifically in relation to Gemini, SM said he wanted more detail in relation to this topic in terms of the service provision agreements and how licencing and operating the products worked. DT explained further work would be undertaken to look at this, however, due to lack of time, this had not yet been fully investigated. SMC emphasised the liability was purely about the operational aspects of Gemini. He explained that National Grid NTS have to licence Xoserve to use Gemini and that he was concerned that National Grid NTS should continue to be singled out for the liability, when the model was proposed to be cooperative. SM and CB were concerned that they would face potential liabilities due to a bilateral arrangement between National Grid NTS and Xoserve.

Further discussion took place regarding the level of potential liabilities associated with a Gemini failure and if it was unavailable, together with where Gemini operation should sit in the future. AMi explained that National Grid NTS were ultimately liable for Gemini, as they would remain responsible for the future investment and funding of the system. SMC said that Xoserve make recommendations as to how those investments were made so liability associated with miss management of this should reside with them. SMC added that he was working on a proposal in relation to the liabilities. SM also wanted to know why there was an operational link between Xoserve and the management of UK Link and Gemini in terms of operational control only, it was in National Grid NTS gift to control who operated Gemini.

0565/0602: National Grid NTS (SMc) to provide a paper to present a view on the management of Gemini liabilities prior to the meeting on 13 July 2016.

0565/0603: National Grid NTS (SMc) to provide an update on the management of Gemini and why it cant follow a similar model to UK Link.

DT moved on to focus on Category 'B' as detailed in point 2.4, and explained it would stay with its present wording. He also briefly overviewed the sections covering Customer default and Data Flows.

CWa stressed the importance of the implementation date of 01 April 2017 and the urgency to get the papers reviewed in the 5 days prior to the DSC meeting on 13 July 2016.

3.2 DSC Service Changes – Process

DT overviewed the Service Changes paper and explained that it set out how changes to the DSC would be managed, and he stressed this document was still at an early developmental stage, although from previous meetings, most of these principles had been broadly accepted. He overviewed the Classification of Change area in relation to Code Changes and Non Code Changes, as detailed in points 2.1.1 (a) and (b).

He then overviewed the Single Constituency Changes and General Changes, where a general discussion took place surrounding the voting process and whether a topic would have any relevance to a particular Transporter, together with whether 'constituencies' should be considered from a Transporter perspective. DT explained if there were different constituencies, then there would have to be a link to the different services lines provided. SMc again reiterated a point he had raised at a previous meeting, that there should be some distinction between National Grid NTS and Distribution Networks.

0565/0604: All Transporters to provide views on whether the Transporters constituency should be sub divided by 13 July meeting.

0565/0605: All Shippers to provide views on whether the Shippers constituencies should be sub divided by the services then use by 13 July meeting.

DT overviewed Point. 2.2.2 'Adverse Impact' and SM asked 'how and 'when' would this be deployed, as he felt the word 'conflict' in point (a) was not appropriate, he proposed the word should be 'constraint' instead. DT said he would look at the wording and also explained more detail on this was covered later, and overviewed all points from (a) to (d). SM said this area needed further thought and discussion as a change in legislation would have an impact on any other changes, and he wanted clear and non-ambiguous statements in relation to this area.

DT moved on to discuss point 2.2.3 and explained principles could be written around the acceptance of the principles and these would have to be further considered by the Committee and AL said changes to the principles would also need to be agreed by all the constituents.

DT overviewed the point 2.3 Priority and explained the process. SM and AL suggested the wording could lead to confusion by using the 'Priority Services' wording.

DT said in the context of the paper, it referred to a 'priority service change' with no other connotation. General discussion then ensued and AL and SM both stated that the rules must be 'fit for purpose' especially in relation to legislation requirements specifically in light of any requirements that may be needed once the CMA report is published. AMi explained that Xoserve take into consideration changes in advance and these are captured via the 'Plan for Change' documentation.

DT then overviewed point 2.4 'Cost of Change' and a lengthy discussion took place surrounding the cost of change from an Xoserve funding and ROM perspective. DT agreed that he would look at this area in more detail to provide clarity.

0565/0606: Dentons (DT) to provide further clarity for point 2.4.3 in the Cost of Change section, as to who is responsible for paying the additional costs for a cost estimate if a ROM is not sufficient.

0565/0607: Xoserve (AMi) to:-

- a) provide further clarity on the Change Order process for a cost estimate or a ROM is required, what is the trigger;
- b) At what point does a Change Order trigger an external cost estimate.

SM asked if it was possible for Xoserve to supply financial values related to costs associated with evaluating changes, which would be recovered from constituencies and the associated de minimis level. AMi explained that this would not be possible and said the costs were managed in the current change analysis process and were not specifically identifiable. A protracted discussion then ensued surrounding the Xoserve Change Order request process, in relation to the cost of change and in what scenarios Change Orders were raised. BF asked if Xoserve currently have a budget for this activity, if so, it may be possible to identify the cost from this. AMi advised that the current change team has a very small head count when compared to Xoserve in general, so its budget was not significant in the overall total. SM said he wanted more detail surrounding this area.

0565/0608: Xoserve (AMi) to provide clarity in relation to internal and external financial spend regarding the proposed Change Order process.

DT overviewed point 2.5 the 'Appeal' section of the document and explained the area in relation to a disaffected constituency member wanting to raise an appeal. He explained this section contained a series of questions he wanted the Workgroup to think about and provide feedback on. A lengthy general discussion took place in relation to this topic and NC requested further clarity regarding this topic.

0565/0609: Dentons (DT) to provide more detail/information regarding the appeal process with a perception of circumstances where this might be appropriate.

DT explained the 'Processes' in point 3 and moved on to overview point 3.2 the Non-Code Changes and all the specific areas included in this section, including The Business Evaluation Report section.

SM proposed this process may cause a delay in the Modification process, while awaiting authorisation from Ofgem and he felt it could preclude the opportunity of undertaking analysis up front.

A general discussion ensued surrounding current Modification process, and the role Xoserve undertakes in relation to the pre analysis, ROM's and the DCA. AMi agreed to provide more detail concerning the costs in the Modification process. BF said other areas also needed to be taken into consideration as a resulting from the recent Code Governance Review and potential impacts of the CAM report; these included the criteria Self-Governance status, that all modifications are considered Self Governance unless a material impact can be demonstrated, the Change Horizon Plan together with the overall Modification process, as all these areas could have an impact. It was also discussed that more information was required on the Code and Non Code Changes and DT agreed to provide more detail on this matter. AMi confirmed any change that required external analysis by a third party, required a Change Order.

0565/0610: Xoserve (AMi) to provide greater clarity and information concerning the costs in the Modification process.

0565/0611: Dentons (DT) to provide more information on the Code and Non Code Changes for the committee to evaluate.

3.3 FGO – UK Link modifications

DT provided an overview to the UK Link modifications paper and with point 1.5 a general discussion took place proposing the word 'Committee' should be replaced with 'Change Management Committee' to aid clarification, and to distinguish between the Change Committee and the Contract Committee. SM said he proposed that Terms of Reference (ToR) should be produced for both committees and that these should be appended to the modification. DT and CWa agreed to produce ToR for both committees as requested.

0565/0612: National Grid Distribution (CWa) and Dentons (DT) to produce Terms of Reference (TOR) for both the Change and Contract Committees.

A general discussion took place in relation to the CDSP not being able to make modification changes to UK Link as defined in section 1.9. (a) – (d) and debate took place surrounding a possible breach situation, together with what time line notice would be given for housekeeping changes. DT explained this area had been explored and had been included in the documentation. CB was concerned about updates that should have no impact on customers proceeding without consultation, the recent issues with security token updates had proven that changes can have unforeseen impacts. Further discussion was undertaken and it was felt more detail was needed concerning the housekeeping and notice periods, and CWa said it would be as it was currently for UK Link.

0565/0613: Dentons (DT) to provide further detail on the notice period and consultation timelines for the new committees in line with the current stipulations for UK Link.

DT overviewed the 'Initial Proposals' section of the document and SMC proposed another point (g) needed to be added into section 2.3, stating (g) Where customers are required by law to make a change. DT agreed this area could be looked at and he would investigate the correct approach.

0565/0614: Dentons (DT) to add in a point (g) into section 2.3, regarding customers being required by law to make a change.

3.4 FGO Modification Rules – Considerations

DT wanted to bring attention to point 1.2 sections (a) and (b) and section 2, 'The role of the CDSP' and wanted the workgroup to keep in mind the licence and the role of the CDSP. He requested the Transporters and Shippers to give thought to how the CDSP is defined.

SM said he thought there should be a wording change in (f) as it looked as though Xoserve were in an influencing position. AMi disputed this comment and said regarding point (f) as Xoserve were not party to the Network Code, Xoserve should be able to get views from Ofgem regarding changes to the Terms and Conditions, and that Xoserve wanted some level of protection. CB was concerned that Xoserve would get a veto on the self-governance status of a modification. BF was concerned that this appeared to be at odds with the recent Code Governance Review where it is assumed a modification is Self Governance unless a material impact can be identified. A very lengthy discussion ensued surrounding this topic and it was agreed that CWa would re look at the specific wording for (f) in relation to the Xoserve 'veto' perspective. BF suggested that the CDSP could be made a non-voting member of Panel and therefore would be able to express views for capture in a Final Modification Report in addition to inputting into Panel business.

0565/0615: National Grid Distribution (CWa) to consider point (f) in section 2.3 relating to Xoserve's 'veto' position and whether an alternative answer may be.

DT moved on to overview the rest of the document and explained section 3. User Pays Modification Proposals and how cost information.

General discussion took place regarding when the information would be available for the workgroups participants lawyers to evaluate the content. BF said all final documentation should be published no later than 15 July and all drafts would need to be published prior to the 13 July 2016 meeting. SM and CB said the industry were waiting to see what the CMA released on Friday 24 June 2016, as that document could have an impact on what Ofgem then released in a further two weeks time, following the CMA update.

11.0 Review of outstanding actions

FGO0502: KMPG to create a FGO Risk and Issues Log. (*Transferred from FGOWG to 0565 WG on 27May16*)

Update: CWa confirmed this action had now been completed and that NCo had created the Risk and Issues Log which had been reviewed at POB, so this action could now be closed. **Closed.**

0565/0504: *DSC Change Management: Committee Composition* - Shippers to consider and provide views (on this approach and any potentially viable alternatives) to CWa (well) before 20 June 2016.

Update: CWa confirmed that he had received some feedback from one iGT and one Transporter so this action would now be closed. **Closed.**

0565/0505: NC to establish if Ofgem will accept/perform a role as arbiter.

Update: NC confirmed that Ofgem were not willing to perform the role as arbiter and he confirmed this action could now be closed. **Closed.**

0565/0507: All parties to review the proposed changes and provide any comments as soon as possible to CWa, CWo and DT, prior to the next meeting (20 June 2016) in relation to the following: GTB7; UNC TPD G, M, and U; iGTAD sections; and DSC Transition.

Update: DT confirmed some feedback had been received and so this action could now be closed. **Closed.**

12.0 Next Steps

CWa explained that he needed feedback to the papers as discussed and that he and BF would discuss setting up a repository on the JO website to make accessing the most up to date documents easier for all concerned.

13.0 Any Other Business

None raised.

14.0 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 Thursday 30 June 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	FGO Workgroup – Charging <ul style="list-style-type: none"> • Consider Service / User Mapping • Service Line Costs • Consider Cost Drivers and Allocation • Consider Methodology
10:00 Monday 11 July 2016	Elexon, 4 th Floor, 350 Euston Road, London NW1 3AW	FGO Workgroup – Charging <ul style="list-style-type: none"> • Consider Cost Drivers and Allocation • Consider Methodology
10:00 Wednesday 13 July 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> • DSC Terms & Conditions (2nd draft) • DSC Service Description (1st draft) • DSC Budget & Charging Methodology • UK Link Manual (1st Draft) • Change Control Procedures (outline) • Contract Management & Reporting Arrangements (1st draft) • Third Party Services Policy (1st draft) • Transition Document (1st draft)
10:00 Monday 25 July 2016	Dentons	FGO Workgroup and Workgroup 0565 UNC Consolidated Legal Review <ul style="list-style-type: none"> • GT B7 • TPD G & H • TPD M • TPD U • Other TPD & EID • iGT and iGTAD • Accession / Withdrawal • Transition

		<ul style="list-style-type: none"> Miscellaneous including MR DSC Contract Update
10:00 Friday 29 July	Consort House, 6 Homer Road, Solihull B91 3QQ	FGO Workgroup – Charging <ul style="list-style-type: none"> Consider Methodology Consider Invoicing Process Consider Credit Arrangements
10:00 Wednesday 03 August 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> DSC Change Control Procedures (1st draft)
10:00 Monday 08 August	Elexon, 4 th Floor, 350 Euston Road, London NW1 3AW	FGO Workgroup – Charging <ul style="list-style-type: none"> Consider Invoicing Process Consider Credit Arrangements Consider Transition Matters
10:00 Monday 22 August 2016	Elexon, 4 th Floor, 350 Euston Road, London NW1 3AW	FGO Workgroup – Charging <ul style="list-style-type: none"> Consider Credit Arrangements Consider Transition Matters
10:00 Tuesday 23 August 2016	Elexon, 4 th Floor, 350 Euston Road, London NW1 3AW	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> DSC Framework Agreement (Final draft) DSC Term & Conditions (Final draft) DSC Service Description (Final draft) Change Control Procedures (Final draft) Contract Management & Reporting Arrangements (Final draft) Third Party Services Policy (Final draft) Transition Document (1st draft) Timeline/Workplan Update Consideration of Risks/Issues Log
10:00 Wednesday 07 September 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	FGO Workgroup and Workgroup 0565 UNC Consolidated Legal Review <ul style="list-style-type: none"> GT B7 TPD G & H TPD M TPD U

		<ul style="list-style-type: none"> • Other TPD & EID • iGT and iGTAD • Accession / Withdrawal • Transition • Miscellaneous including MR DSC Contract Update Development of Workgroup Report
10:00 Wednesday 21 September 2016	Elexon, 4 th Floor, 350 Euston Road, London NW1 3AW	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> • Development of Workgroup Report
10:00 Wednesday 05 October 2016	Consort House, 6 Homer Road, Solihull B91 3QQ	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> • Conclusion of Workgroup Report

Workgroup 0565 Actions (as at 20 June 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
FGO 0502	03/05/16	2.0	KMPG to create a FGO Risk and Issues Log (<i>Transferred from FGO 27/05 to 0565 Workgroup for further consideration</i>)	KMPG (NC)	Closed
0565/0504	18/05/16	5.0	<i>DSC Change Management: Committee Composition – Shippers to consider and provide views (on this approach and any potentially viable alternatives) to Cwa (well) before 20 June 2016.</i>	ALL Shippers	Closed
0565/0505	18/05/16	5.0	NC to establish if Ofgem will accept/perform a role as arbiter.	Ofgem (NC)	Closed
0565/0507	18/05/16		ALL Parties to review the proposed changes and provide any comments as soon as possible to Cwa, Cwo and DT, prior to the next meeting (20 June 2016), in relation to the following: GTB7; UNC TPD G, M and U; iGTAD sections; and DSC Transition.	ALL Parties	Closed

0565/0601	20/06/16	10.	Dentons (DT) and National Grid Distribution (CWa) to produce explaining the approach to historic liabilities, including the transition process from existing the process to the new process.	Dentons (DT) & National Grid Distribution (CWa)	Pending
0565/0602	20/06/16	10.	National Grid NTS to provide a paper to present a view on the management of Gemini liabilities prior to the meeting on 13 July 2016.	National Grid NTS (SMc)	Pending
0565/0603	20/06/16	10.	National Grid NTS to provide an update on the management of Gemini and why it cannot follow a similar model to UK Link.	National Grid NTS (SMc)	Pending
0565/0604	20/06/16	10.	All Transporters to provide views on whether the Transporters constituency should be sub divided by 13 July meeting.	All Transporters	Pending
0565/0605	20/06/16	10.	All Shippers to provide views on whether the Shippers constituencies should be sub divided by the services then use by 13 July meeting.	All Shippers	Pending
0565/0606	20/06/16	10.	Dentons (DT) to provide further clarity for point 2.4.3 in the Cost of Change section, as to who is responsible for paying the additional costs for a cost estimate if a ROM is not sufficient.	Dentons (DT)	Pending
0565/0607	20/06/16	10.	Xoserve (AMi) to:- a) Provide further clarity on the Change Order process for a cost estimate or a ROM is required, what is the trigger; b) At what point does a Change Order trigger an external cost estimate.	Xoserve (AMi)	Pending
0565/0608	20/06/16	10.	Xoserve (AMi) to provide clarity in relation to internal and external financial spend regarding the proposed	Xoserve (AMi)	Pending

			Change Order process.		
0565/0609	20/06/16	10.	Dentons (DT) to provide more detail/information regarding the appeal process with a perception of circumstances where this might be appropriate.	Dentons (DT)	Pending
0565/0610	20/06/16	10.	Xoserve (AMi) to provide greater clarity and information concerning the costs in the Modification process.	Xoserve (AMi)	Pending
0565/0611	20/06/16	10.	Dentons (DT) to provide more information on the Code and Non Code Changes for the committee to evaluate.	Dentons (DT)	Pending
0565/0612	20/06/16	10.	National Grid Distribution (CWA) and Dentons (DT) to produce Terms of Reference (TOR) for both the Change and Contract Committees.	National Grid Distribution (CWA) & Dentons (DT)	Pending
0565/0613	20/06/16	10.	Dentons (DT) to provide further detail on the notice period and consultation timelines for the new committees in line with the current stipulations for UK Link.	Dentons (DT)	Pending
0565/0614	20/06/16	10.	Dentons (DT) to add in a point (g) into section 2.3, regarding customers being required by law to make a change.	Dentons (DT)	Pending
0565/0615	20/06/16	10.	National Grid Distribution (CWA) to consider point (f) in section 2.3 relating to Xoserve's 'veto' position and whether an alternative answer may be.	National Grid Distribution (CWA)	Pending