

Change Overview Board (COB) Minutes
Monday 11 January 2016
31 Homer Road, Solihull B91 3LT

Attendees

| | | |
|--------------------------|------|-----------------------|
| Les Jenkins (Chair) | (LJ) | Joint Office |
| Lorna Dupont (Secretary) | (LD) | Joint Office |
| Andrew Green* | (AG) | Total |
| Andy Sinclair* | (AS) | PwC |
| Angela Love* | (AL) | ScottishPower |
| Gareth Evans* | (GE) | Waters Wye |
| Hazel Ward | (HW) | RWE npower |
| Jayesh Parmar | (JP) | Baringa |
| Joanna Ferguson | (JF) | Northern Gas Networks |
| Jon Dixon* | (JD) | Ofgem |
| Lorna Lewin* | (LL) | DONG Energy |
| Martin Baker | (MB) | Xoserve |
| Paul Waite* | (PW) | EDF Energy |
| Phil Broom* | (PB) | ENGIE |
| Phil Lucas | (PL) | National Grid NTS |
| Steve Mulinganie* | (SM) | Gazprom |
| Vicki Spiers* | (VS) | ES Pipelines |

**via teleconference*

Copies of meeting papers are available at: <http://www.gasgovernance.co.uk/COB/110116>

1. Introduction

LJ welcomed all to the meeting.

2. Planning

2.1. Change Horizon - Quarterly Review

The schematic was displayed and MB presented an overview of the current landscape, drawing attention to changes. The potential movement/position across zones of a number of items was then considered on an individual basis.

Zone 1

NG DN Disposal

A new event had been added, reflecting National Grid's intended disposal of its majority shareholding in its gas Distribution business. Early indications give a timescale of Q2 2017. It is too early to assess what impacts, if any, might manifest themselves, and will depend on the structural model eventually agreed. The COB was happy to add this to the Horizon and MB affirmed he would raise a Topic template to log further details, as they become known. Its position on the Horizon was queried and discussed, and it was agreed to leave it where it is for the present.

Settlement Evolution

Asked about progress, MB affirmed that so far there was no proposition on the table by any party to move the market to the next stage. JD expected to return to this at some point, to ensure that the gas model evolves, but there was insufficient detail to support any meaningful work at present. COB needs to be mindful and recognise the most

opportune time to revisit to ensure that gas consumers are not disadvantaged and that all identified benefits are able to be included. SM believed this concept to be more developed than the others in Zone 1 and suggested that a more focused watch should be kept. JD observed that it would be a reactive piece of work, and that parties' views could be sounded out on what market/demands might be over the next 5 years. He would be happy to start informal scoping discussions to look at the dynamics and assess and shape the parameters.

It was agreed that this would be a good topic for a more in-depth discussion at the COB meeting in July 2016.

Action COB 0101: *Settlement Evolution* - JD to produce a first draft definition document that is designed to prompt discussion (for meeting on 04 July 2016).

UK Membership of EU

A suggested move to the '2-5 years' column was discussed. MB believed that energy was not one of the areas for renegotiation.

Gemini Rewrite

No further details were provided; to be left in Zone 1.

General Election 2020

To move to the '2-5 years' column.

Zone 2

Industry Governance

This has moved into Zone 2, 'Policy Undefined', following publication of the Code Governance Review 3 Initial Proposals. No impact has been identified for central systems, just more granularity expected on reporting of systems delivery.

Zone 3

Priority Services Review (PSR)

This had been moved into Zone 3, 'Deliverables Undefined', following the PSR consultation; impact has been reduced to Medium based on consultation proposals. There is no proposed date for implementation, but Ofgem expects to consult on Licence changes in Spring 2016. This may generate a couple of UNC modifications, but these would not be expected to be of any major significance and no urgency has been identified. JF observed there were likely to be changes relating to UK Link data flows. The potential Licence changes were still being clarified, and JF indicated that she would be working with Xoserve to raise any appropriate changes. It was noted the Licence condition might be made at the same time as electricity.

Tariffs Reform (EU)

This had been moved out to Q3 2018; timescales are quite uncertain as are the scale of any impacts, and this remains under review. It is not yet known whether Tariffs Reform will require the creation of new products with associated new tariffs - this would have a larger impact.

LJ added that Gas Quality Standards might also need addressing as this may require system changes. It was suggested that PL discuss internally to identify if there were any anticipated impacts on the Central Services Provider's systems; if any were identified this might then be considered for addition to the Horizon.

Action COB 0102: *EU Reform/Gas Quality Standards* - PL to establish if National Grid NTS anticipated any impacts on the Central Services Provider's systems.

Other areas for consideration

AL referred to the recent publication of Ofgem's Forward Work Programme, suggesting that it might be useful to review this to identify any other areas/impacts for the COB's focus.

Action COB 0103: *Ofgem's Forward Work Programme* - MB to review and report (to the April meeting) any other areas/impacts identified for the COB's focus.

Deliverables in 2016/17

DCC Day 1

JF reported that she had raised a Change Request for Xoserve's work and that all was on track. There were minor risks, of which all parties were aware, associated with dates for testing.

EU Reform 2

LJ explained that this is known as 'EU Phase 3' implementation, due in May 2016. All is in hand.

Nexus/UKLP

This was currently at Red, moving to Amber status (see 4.1, below). HW suggested that following today's report RAASP should be separated out and shown in its own individual Event Box. MB noted this for consideration when preparing the next presentation.

FGO Part 1

MB reported that this was on track (no bearing on systems or service definitions).

FGO Part 2

This was driven by Modification 0565, and all was on track.

PAF

LJ reported that Modification 0506 had been approved and was awaiting confirmation of an implementation date, following which a Change Order will be raised. JF added that the Change Managers will be discussing this week, and that an update will be given at the April meeting to keep parties informed. There may be some potential linkage with Settlement. HW asked if deferral of RAASP would have any impact on PAF. AL was not aware of any at the moment, but if manual workarounds were decided upon then a modification may be raised to address Xoserve performance in those areas.

Suggested Improvements to Change Horizon

To add clarity where COB was satisfied with the position of an event, LJ suggested presenting events in the near future with a coloured (green) outline to reflect the status. MB noted this for consideration when preparing the next presentation

Next Review

The Change Horizon is reviewed quarterly (January, April, July and October). The next review will take place at the meeting to be held on Monday 04 April 2016.

3. Policy Updates

3.1 Ofgem Overview

Switching Significant Code Review (SCR) – (was ‘Next Day Switching (NDS) and Central Registration’)

MB reported that the delivery target was 2019 (published by Ofgem) and industry Workstreams were being set up. JD observed that realistically, system changes may be required in 2018 and work may therefore need to be commenced earlier. The Workstreams have workplans, and it was anticipated that a blueprint would be produced in the autumn to set out what changes to Licences/Codes might look like. However, powers may be given through legislation to make any required changes without recourse to other routes.

HW commented that the policy is understood but the deliverables needed to be defined. It was suggested that JD invite an Ofgem representative (Angelita Bradney) to give an overview to the April meeting, and that MB review the Topic template to reassess where this might properly sit, ready for consideration at the April meeting.

Action COB 0104: *Switching SCR* - JD to invite Angelita Bradney to give an overview to the April meeting.

Action COB 0105: *Switching SCR* - MB to review the Topic template to reassess where this might properly sit, ready for consideration at the April meeting.

4. In-flight Programme Overview

4.1. UK Link Programme Report

Referring to the Reporting information provided at the Project Nexus Steering Group (PNSG) meeting, AS gave an overview of the current status of the programme (red, moving to amber) and progress and approvals made to date.

The status had remained at red because of the uncertainty relating to RAASP delivery and because Xoserve UAT was behind plan. PNSG discussions had centred on RAASP delivery and L3/L4 Market Trials (MT) readiness.

RAASP Delivery

Reviewed against current progress, it was recognised that it would take 9-10 months to build, test, trial, and deliver the system solution for RAASP, i.e. past the October go live date. Recognition of the associated risks led to a recommendation to decouple and defer central systems functionality for RAASP to a later date, and that Xoserve should cease all work on this area and redeploy resource as appropriate to de-risk delivery of core. These recommendations were discussed and approved by the PNSG. PNSG also discussed the implications for Modification 0434, some requirements of which will have to be reassessed in light of RAASP deferral. This will be considered by PNUNC and a view on the way forward (an ‘interim solution’) was expected by the end of

February. Xoserve will return to PNSG by end of March with a view of the earliest delivery date of the technical solution for RAASP.

L3/L4 Market Trials (MT) readiness

At PNSG, Xoserve reported on UAT progress and defect resolution, and gave a view on the staggered start. The information to date gives a positive picture for commencing on 01 February 2016, and the functionality needed is on track.

Data Quality

This had been a challenging load (substantial numbers) and validation has identified a number of defects (expected resolution date January). A clearer view was required of the extent/impacts of any defects that may not be resolved by 01 February 2016.

There was a positive view regarding UAT progress. The Market Trials Working Group (MTWG) will be considering at its meeting on 13 January the implications of the staggered start, and forming a view of what February looks like for participants and what areas can be trialled (aiming for an unconstrained MT approach on 01 March 2016).

The PNSG believed there was enough clarity on UAT progress to approve the change (movement) of the milestone and the staggered start.

The MTWG and the PNUNC will be looking at the implications of deferring RAASP and will consider what can be delivered as a workaround to satisfactorily address the requirements of Modification 0434. SM asked about mitigation proposals. GE explained the PNSG debate in a little more detail; Shippers were keen to see no impact on legal obligations. PNUNC will consider obligations under the UNC and if change is required the most appropriate mechanism to achieve that.

AS reiterated that the decisions made by PNSG simplifies what Xoserve needs to do going forward, and creates some contingency time. It shifts the Programme risk and Go Live back to amber status. The next opportunity to formally reset the status to amber was at PNSG on 18 January 2016, where a new version of the Plan would be presented.

It was confirmed that Unique Sites functionality was going ahead.

AL suggested that if anything further was to be stripped out it should be supported by a business case. AS observed that a view needed to be formed on what the manual workarounds might encompass, and be worked through. AL added that any movement to manual workarounds might need to be flagged up to Performance Assurance.

Concluding, AS reported that PwC was just receiving the first results on participant readiness for L3/L4 MT, and should have a clearer view by the end of the week ready to share with PNSG at its meeting on 18 January 2016.

5. Issues for discussion

None raised.

6. Review of Outstanding Action

COB1001: *Change Horizon document (hybrid)* - SM to share his own change compilation (appropriately modified) with GE and MB and work together to produce a 'hybrid' for review at the January COB meeting.

Update: MB reported that SM had shared his own change compilation (appropriately modified) and MB expected to discuss with SM how this might be used productively. MB requested that the action be deferred to the April meeting. **Carried forward**

7. Any Other Business

None raised.

8. Diary Planning and Agenda for the next Meeting

8.1 Agenda for the next ‘face-to-face’ meeting on 04 April 2016

It is anticipated that the following items will be addressed at the next ‘face-to-face’ meeting:

- Change Horizon Quarterly Update - (*Xoserve*)
 - *Review of the ‘one pagers’*
- In Flight Programme Overview
 - *UK Link Programme Report (PwC)*
- Policy updates (*Ofgem*)
 - *Switching SCR - Angelita Bradney*
- PAF Implementation update (*Joanna Ferguson, Northern Gas Networks*)

Any other items for discussion should be submitted by Wednesday 23 March 2016 to the Joint Office at: enquiries@gasgovernance.co.uk.

8.2 Date of Next Meeting(s)

Arrangements for the February, March and April meetings were discussed and agreed.

It is intended to hold the next two meetings via teleconference (following the Project Nexus Steering Group meeting) on Monday 08 February and Monday 14 March 2016.

Papers for the next ‘face-to-face meeting’ (04 April 2016) should be submitted by Wednesday 23 March 2016 to the Joint Office at: enquiries@gasgovernance.co.uk.

Unless otherwise notified Change Overview Board (COB) meetings will take place as follows:

2016

| Time/Date | Venue | Programme |
|---|--|---|
| 12:00 - 12:30, Monday 08 February 2016 | Teleconference (following the Project Nexus Steering Group meeting) | <i>This is intended as a brief update session (no record of discussions will be made)</i> |
| 12:00 - 12:30, Monday 14 March 2016 | Teleconference (following the Project Nexus Steering Group meeting) | <i>This is intended as a brief update session (no record of discussions will be made)</i> |

| | | |
|---------------------------------|--|---|
| 10:30, Monday 04 April 2016 | Ofgem's Offices, 9 Millbank, London SW1P 3GE | <ul style="list-style-type: none"> • <i>Change Horizon Quarterly Review</i> • <i>Switching SCR</i> • <i>PAF update</i> |
| 10:30, Monday 09 May 2016 | 31 Homer Road, Solihull B91 3LT | <i>To be confirmed</i> |
| 10:30, Monday 06 June 2016 | 31 Homer Road, Solihull B91 3LT | <i>To be confirmed</i> |
| 10:30, Monday 04 July 2016 | 31 Homer Road, Solihull B91 3LT | <ul style="list-style-type: none"> • <i>Change Horizon Quarterly Review</i> • <i>Settlement Evolution</i> |
| 10:30, Monday 01 August 2016 | 31 Homer Road, Solihull B91 3LT | <i>To be confirmed</i> |
| 10:30, Monday 12 September 2016 | 31 Homer Road, Solihull B91 3LT | <i>To be confirmed</i> |

Action Table – Change Overview Board (11 January 2016)

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|-----------------|--------------|------------|---|--|--|
| COB 1001 | 05/10/15 | 7.0 | <i>Change Horizon document (hybrid)</i> - SM to share his own change compilation (appropriately modified) with GE and MB and work together to produce a 'hybrid' for review at the January April COB meeting. | Gazprom (SM), Waters Wye (GE) and Xoserve (MB) | <i>Due 04 April 2016 meeting</i> Carried forward |
| COB 0101 | 11/01/16 | 2.1 | <i>Settlement Evolution</i> - JD to produce a first draft definition document that is designed to prompt discussion. | Ofgem (JD) | <i>Due 04 July 2016 meeting</i> Carried forward |
| COB 0102 | 11/01/16 | 2.1 | <i>EU Reform/Gas Quality Standards</i> - PL to establish if National Grid NTS anticipated any impacts on the Central Services Provider's systems. | National Grid NTS (PL) | <i>Due 04 April 2016 meeting</i> Pending |
| COB 0103 | 11/01/16 | 2.1 | <i>Ofgem's Forward Work Programme</i> - MB to review and report (to the April meeting) any other areas/impacts identified for the COB's focus. | Xoserve (MB) | <i>Due 04 April 2016 meeting</i> Pending |

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| COB 0104 | 11/01/16 | 3.1 | <i>Switching SCR</i> - JD to invite Angelita Bradney to give an overview to the April meeting. | Ofgem (JD) | <i>Due 04 April 2016 meeting</i> Pending |
| COB 0105 | 11/01/16 | 3.1 | <i>Switching SCR</i> - MB to review the Topic template to reassess where this might properly sit, ready for consideration at the April meeting. | Xoserve (MB) | <i>Due 04 April 2016 meeting</i> Pending |