

Xoserve FGO

Monthly update

24 July 2015

Update on the FGO programme – August 2015

| Work area | Update |
|--------------------|--|
| POB meeting | <p data-bbox="285 339 649 372">Meeting held on 10 July</p> <ul data-bbox="285 418 1856 868" style="list-style-type: none"><li data-bbox="285 418 1856 486">• KPMG presented the updated draft programme delivery plan and invited any further views to be provided as the programme progresses<li data-bbox="285 532 1856 679">• POB discussion transitional arrangements, particularly which elements of FGO would Go Live on 1 April 2016. POB asked KPMG to hold a workgroup to discuss, and to then develop a draft paper summarising the transition plan. KPMG will present this plan to the next POB meeting on 31 July. Ofgem agreed to provide a written response to the transition paper during August.<li data-bbox="285 725 1595 758">• POB reviewed progress made by each workgroup and agreed the plan for the rest of July.<li data-bbox="285 803 1740 868">• Xoserve will engage external legal advice to assist in progress on Board arrangements and contract development. GTs will engage external legal advice on the approach to UNC modifications. <p data-bbox="285 913 807 946">Next meeting on 31 July – London</p> |

Update on the FGO programme – August 2015

| Work area | Update |
|-------------------------------------|---|
| Business plan and budgeting | <p>Workgroup held on 22 June</p> <ul style="list-style-type: none">• Xoserve will commence their interim process from July, with the first milestone being the sharing of the Plan Principles with all shippers, iGTs and GTs following Xoserve Board review on 16 July.<ul style="list-style-type: none">• <i>Xoserve's Board agreed to the above on 16 July and will confirm the process for sharing the Plan Principles</i>• Workgroup lead agreed to develop detailed proposals for the outstanding deliverables, and to share these with the group. <p>No further workgroups scheduled for this topic, with the aim for all parties to provide feedback on the interim process as it progresses.</p> |
| Charging and cost allocation | <p>Workgroup held on 2 July</p> <ul style="list-style-type: none">• The group discussed the current allocation of Xoserve's budget to the different groups of services it provides. The group also considered the current proposal for reassignment of obligations in the UNC.• POB reviewed the high level principles for the charging methodology on 10 July, and agreed for the workgroup to continue to develop these.• Xoserve will provide more granular detail on costs by service for discussion at the next workgroup. <p>Next workgroup on 27 July – Birmingham</p> |

Update on the FGO programme – August 2015

| Work area | Update |
|-------------------------|---|
| Governance - CDS | <p>Workgroup on 6 July</p> <ul style="list-style-type: none">• Workgroup reviewed the draft terms of reference for the contract management and change management groups. Further changes were agreed and revised drafts will be circulated ahead of the next workgroup.• KPMG presented a summary of current views on quoracy, decision making and the escalation process to POB on 10 July, and POB agreed for the workgroup to continue to develop these.• The next workgroup will review the revised terms of reference, consider Schedule 10 of the ASA and consider any changes to be proposed to existing KPIs and/or management information. <p>Next workgroup on 27 July – Birmingham</p> |

Update on the FGO programme – August 2015

| Work area | Update |
|--------------------------------------|---|
| Governance - Corporate | <p>Workgroup held on 29 June and discussion held at POB on 10 July</p> <ul style="list-style-type: none">• POB endorsed the view that an independent Chair and CEO be appointed to the Board.• POB agreed that up to 4 Directors be appointed by Shippers to the Board for 1 April 2016. The aim is to provide continuity by retaining the 6 current GT Directors, but adding capability and experience to the Board.• Shippers agreed to host a call to discuss the appointment process for the new Directors on 17 July, and to present the outcome of this discussion to POB on 31 July.• POB agreed that if Ofgem were to decide to implement a pass through arrangement for GT funding from April 2017, then changes could be made to the Board from that date to include: a reduced number of GT Directors and the appointment by iGTs of Directors.• A revised framework document will be presented to POB, for discussion, on 31 July. <p>Next workgroup on 3 August – Birmingham</p> |
| UNC obligations and contracts | <ul style="list-style-type: none">• National Grid have been working with Dentons to seek a legal view on amendments to Section 6.5 of Section V of the UNC, and a number of other associated modifications, in order to commence the UNC modifications process and move to implement FGO.• National Grid shared this advice at the transition workgroup held on 20 July, and it was circulated with the POB packs issued on 24 July. <p>Update to be provided by National Grid at POB on 31 July</p> |

Further information

Meeting dates and locations are available on the Joint Office website

All POB, workgroup and programme materials are available on the FGO SharePoint site

- Email FGOcentral@kpmg.co.uk to receive login details

Please contact FGOcentral@kpmg.co.uk for any queries or assistance

If you would like to attend a scheduled meeting, then please email FGOcentral@kpmg.co.uk to confirm your attendance

A large green semi-circle is positioned on the left side of the image. It has a white shadow cast to its right, giving it a 3D effect. The text "Thank you" is written in white inside the green area.

Thank you