

# Xoserve FGO

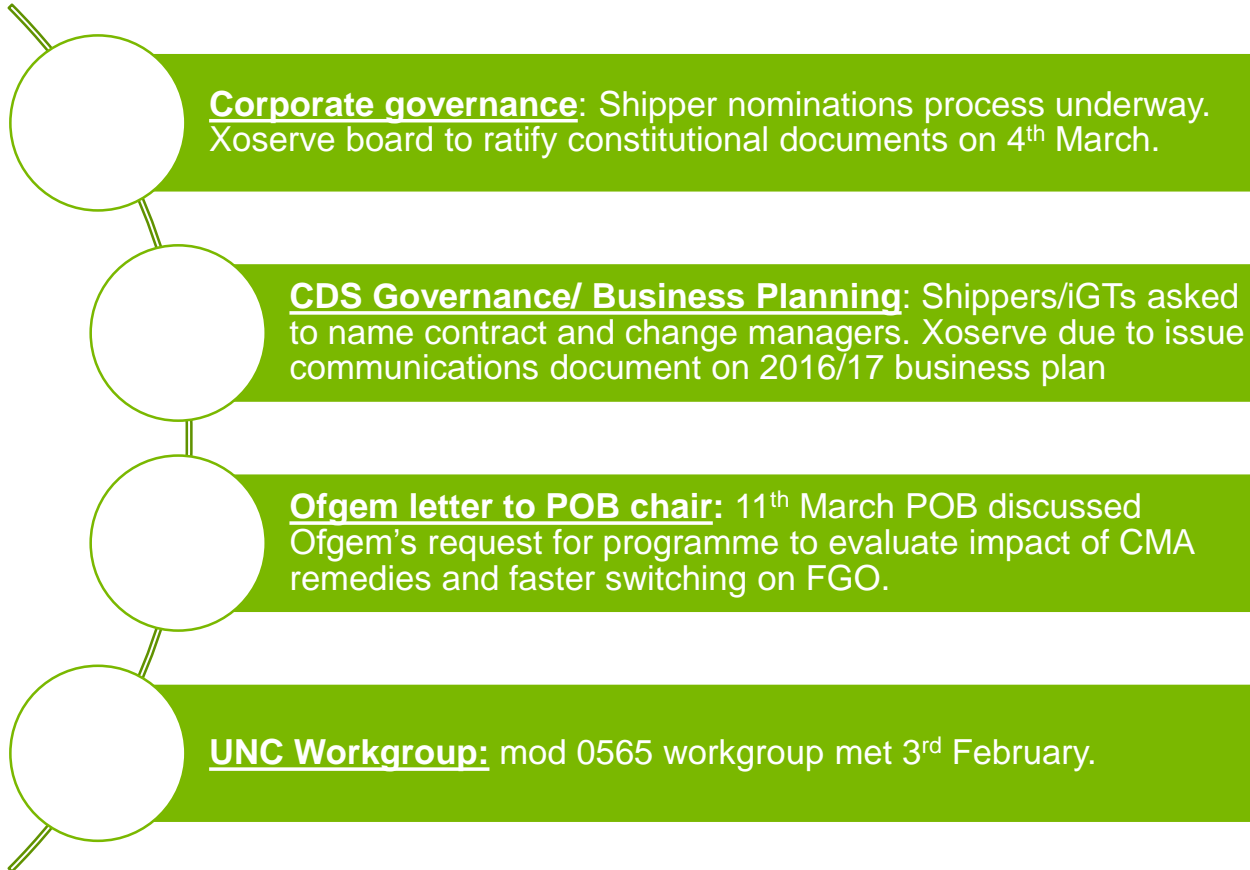
Monthly update

1<sup>st</sup> March

# FGO programme update – Executive summary

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The FGO programme continued to progress throughout February, building up to Go Live for the 2016/17 transitional year on 1<sup>st</sup> April:



# FGO programme update – February 2016 activities

Work area	Update
<b>POB meetings</b>	<p><b>19<sup>th</sup> February meeting</b></p> <ul style="list-style-type: none"><li>• Ofgem sent a letter to the POB Chair asking the programme to consider the impacts of the proposed remedies in the CMA's provisional findings report, and the faster switching programme, on FGO.</li><li>• Following the Ofgem letter, POB discussed potential impacts of proposed remedies around code governance in the CMA's provisional findings report.</li><li>• General view that remedies were unlikely to have significant impact on FGO, although there is uncertainty around the form the final remedy might take.</li><li>• Group considered impacts of Ofgem's faster switching programme on FGO.</li><li>• The potential for faster switching to bring about significant changes to Xoserve's service footprint was highlighted, although it is not clear at this stage what form faster switching implementation might take. It was felt that FGO arrangements were flexible enough to adapt to future change arising from faster switching.</li><li>• The Programme Manager is preparing a response to Ofgem's letter on behalf of POB (to be discussed at 11<sup>th</sup> March POB meeting)</li><li>• ICoSS have sent a letter to Ofgem asking for a pause and re-evaluation of the POB programme due to wider industry developments.</li><li>• POB discussed the ICoSS letter. The group agreed the need to continue work on FGO unless and until Ofgem write to industry requiring alternative action.</li><li>• Feedback from UNC workgroup on mod 565 (held 3<sup>rd</sup> February) with presentation on interactions between UNC and data services contract.</li></ul> <p><b>Next POB will be held 11<sup>th</sup> March</b></p>

# FGO programme update – February 2016 activities

Work area	Update
<b>Charging and cost allocation</b>	<b>Workgroup held 1<sup>st</sup> February</b> <ul style="list-style-type: none"><li>• Following GTs' response to Xoserve's request for information (submitted 29<sup>th</sup> January), workgroup met to begin developing a workplan for producing a detailed charging methodology.</li><li>• Group reviewed and amended agreed principles and assumptions around the charging methodology.</li><li>• It was agreed to document in more detail the steps behind the cost allocation for the costs of change that had been included in the GTs' submission.</li><li>• The group agreed that the next workgroup should review service area cost drivers as the next step towards developing the charging methodology.</li><li>• The group highlighted the need for careful mapping of the interactions between charging work and the outputs of the UNC modification 565 workgroup.</li></ul>
<b>CDS Governance / Business Planning and Budget Setting</b>	<b>Workgroup held 23<sup>rd</sup> February</b> <ul style="list-style-type: none"><li>• Robustness of transitional FGO arrangements for 2016/17 were tested through a series of scenarios.</li><li>• It was agreed that CDS governance meetings in 2016/17 would proceed on an 'ASA meeting with shipper/iGT attendance' basis.</li><li>• The group reviewed the enduring business planning and budget setting process- outstanding questions related to this will be discussed at POB on 11<sup>th</sup> March.</li><li>• Xoserve have issued a further request to shippers and iGTs to nominate change and contract managers.</li><li>• GTs are shortly due to issue a statement to the effect that shippers and iGTs will be invited to attend CDS governance meetings on a 'goodwill basis ' in 2016/17.</li><li>• Xoserve are shortly due to issue a communications document providing stakeholders with information on the 2016/17 business plan and budget.</li></ul>

# FGO programme update – February 2016 activities

Work area	Update
<b>Contracts and Obligations</b>	<p><b>3<sup>rd</sup> February meeting of UNC workgroup for mod 0565</b></p> <ul style="list-style-type: none"><li>• Group discussed how references to the ‘transporter agency’ would be replaced with references to the ‘CDSP’</li><li>• The group also assessed which sections of the UNC principal document would need to be amended.</li></ul> <p><b>Next UNC workgroup meeting 2<sup>nd</sup> March</b></p>
<b>Corporate Governance</b>	<ul style="list-style-type: none"><li>• Shipper nominations committee members are working with Spencer Stuart to develop a revised nominations process and timeline, and a person specification.</li><li>• Revised Xoserve corporate documents have been drafted by Herbert Smith, and have been shared with POB members.</li></ul>

# Further information

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Meeting dates and locations are available on the Joint Office website.

POB meeting dates have been circulated out to the end of March 2017.

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

- Email [FGOcentral@kpmg.co.uk](mailto:FGOcentral@kpmg.co.uk) to receive login details

Please contact [FGOcentral@kpmg.co.uk](mailto: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](mailto:FGOcentral@kpmg.co.uk) to confirm your attendance

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**Thank you**