

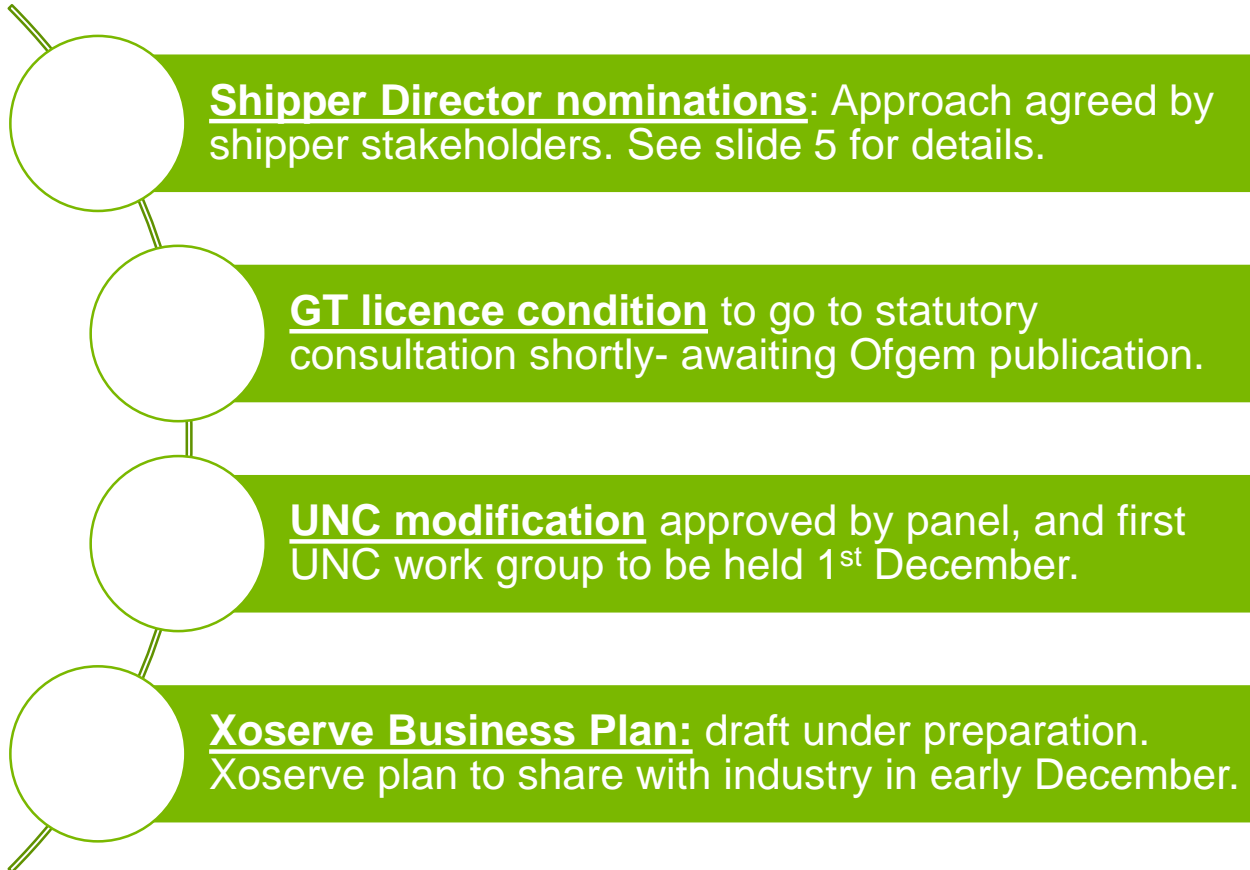
Xoserve FGO

Monthly update

26 November

FGO programme update – Executive summary

The FGO programme continued to progress throughout November.



FGO programme update – November 2015 activities

Work area	Update
POB meetings	<p>13th November meeting</p> <ul style="list-style-type: none">• Discussion of interaction between contract development and UNC modifications- the UNC process is proceeding and contract development needs to take place in parallel;• Xoserve agreed to proceed with detailed cost allocation exercise;• Endorsement for Contract Management and Change Management steering groups to incorporate annual business planning and budget setting processes;• Endorsement for costs of headhunter for Shipper Director nomination exercise to be met via GTs' allowed funding for FGO implementation;• Final draft of Xoserve board Terms of Reference has been provided to Xoserve to proceed with implementation.
	<p>Next POB 11th December</p> <p>Matters for discussion:</p> <ul style="list-style-type: none">• Corporate Governance- Xoserve to update on progress on implementation;• CDS Governance (including business planning and budgeting)- POB to endorse Terms of Reference for Change Management and Contract Management Steering Groups;• Charging and Cost Allocation- update on progress on cost allocation exercise;• Update from UNC modifications workgroup;• Discussion of updated dependencies map and project plan;• Agree way forward for contract development;

FGO programme update– November 2015 activities

Work area	Update
Business plan and budgeting/ CDS Governance	<p>Workgroups on 9th November and 23rd November</p> <ul style="list-style-type: none">• Agreement that industry engagement with Xoserve business plan and budget could best be done through Change Management and Contract Management groups.• Revisions have been made to Change Management and Contract Management groups Terms of Reference to reflect this.• Group discussed process maps setting out interactions between business planning and budget setting processes and wider CDS governance.• Further iterations of process maps and Terms of Reference will be discussed at 30th November workgroup. <p>Next workgroup to 30th November</p>
Charging and cost allocation	<ul style="list-style-type: none">• Xoserve agreed to carry out cost allocation exercise to feed into Ofgem's request for information under their review of GT funding arrangements and to develop the revised charging methodology for FGO on an enduring basis. <p>Next workgroup on 14th December</p>

FGO programme update– November 2015 activities

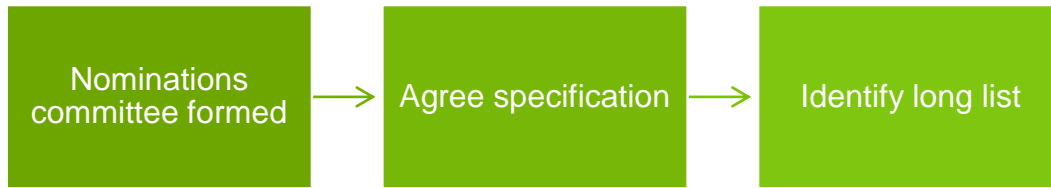
Work area	Update
Governance - Corporate	<p>Shipper conference call on 23rd November.</p> <ul style="list-style-type: none">• Framework for shipper nominations to Xoserve board agreed- see slide 5 below. Key features as follows:<ul style="list-style-type: none">- Nominations committee with representatives from EnergyUK, Gas Forum and iCOSS;- Committee to work with Xoserve and executive headhunter to develop role specification;- Committee to develop short list of candidates from long list provided by headhunter; and- Process for raising objections for candidates on shortlist.• Next steps:<ul style="list-style-type: none">- Xoserve to confirm arrangements to enable appointments process and engage headhunters; and- Shippers to liaise with trade associations to confirm nomination arrangements. <p>To be raised for information at POB on 11th December</p>
UNC obligations and contracts	<p>Workgroup on contracts to commence following 1st December UNC workgroup and to be taken forward in parallel with UNC work.</p>

Shipper nominations process

Members of the committee will be reps from EUK, ICOSS and Gas Forum. Process for selection to be determined independently.

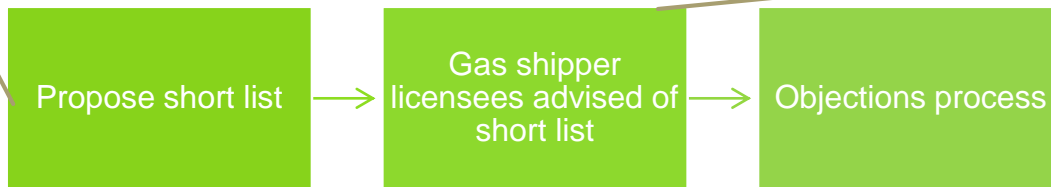
Role specification to be determined by the nominations committee – working with Xoserve and the headhunter

Headhunter is to provide the nominations committee with a list of individuals that meet the specification



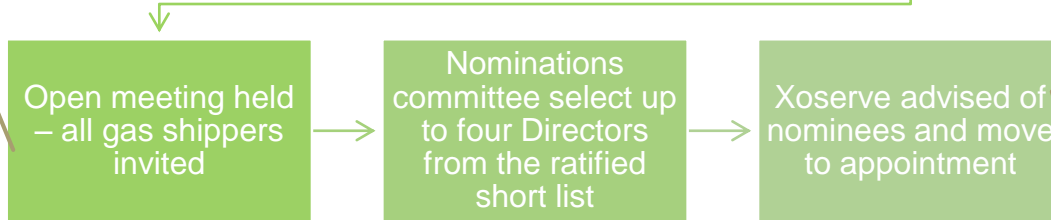
All gas shippers will be notified in writing of the short list

The nominations committee will distil the long list down to a short list (could be in consultation with industry reps).



Shippers will be able to raise a written objection to anyone on the short list, with the nominations committee given a chance to respond in writing to specific objections.

If any objections remain, Shippers will take a vote, with a 2/3rds majority needed to uphold an objection. The meeting will then ratify the proposed nominees.



Xoserve will be advised of the Shipper proposed nominees and will commence their appointment process, including seeking Board approval of the nominations

Further information

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

POB meeting dates have been circulated out to the end of March 2016.

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

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Thank you