

UNC DSC Contract Management Committee Minutes
Wednesday 14 February 2018
at Lansdowne Gate, 65 New Road, Solihull, B92 OED

Chris Shanley (Chair)	(RH)	Joint Office	Non-Voting
Kully Jones (Secretary)	(HB)	Joint Office	Non-Voting
Shipper User Representatives			
Kirsty Dudley*	(KD)	E.ON	Voting
Lorna Lewin*	(LL)	Orsted	Voting
Steve Mulinganie*	(SM)	Gazprom	Voting
Robert Cameron Higgs*	(RCH)	Flow energy	Voting (2 votes)
Transporter Representatives			
Hilary Chapman	(HC)	Southern Gas Networks	DNO – Voting
Joanna Ferguson*	(JF)	Northern Gas Networks	DNO – Voting
Beverley Viney	(BV)	National Grid NTS	NTS – Voting + Alternate for Phil Lucas (total 2 votes)
John Cooper*	(GH)	BU-UK	iGT – Voting + Alternate for Victoria Parker (total 2 votes)
CDSP Contract Management Representatives			
David Stowe (item 2.0)	(DSt)	Xoserve	Non-Voting
Dave Turpin	(DT)	Xoserve	Non-Voting
Emma Smith	(Esm)	Xoserve	Non-Voting
Eve Bradley (item 4.0)	(EB)	Xoserve	Non-Voting
Fiona Cottam (item 10.3)	FC	Xoserve	Non-Voting
Paul Bird (item 2.0)	(PB)	Xoserve	Non-Voting
Martin Baker (item 10.4)	(MB)	Xoserve	Non-Voting
Nick Stace (item 6.2)	(NS)	Xoserve	Non-Voting
Ranjit Patel	(RP)	Xoserve	Non-Voting
Michael Orsler	(MO)	Xoserve	Non-Voting

Michelle Downes (item 5.3)	(MD)	Xoserve	Non-Voting
Vicky Palmer (item 10.4)	(VP)	Xoserve	Non-Voting
Sandra Simpson (item 5.1)	(SS)	Xoserve	Non-Voting
Sat Kalsi (item 5.1)	(KS)	Xoserve	Non-Voting
Observers			
Chris Warner	(CW)	Joint Office	Non-Voting
Debbie Brace	(DB)	National Grid NTS	Non-Voting
Robert Wigginton*	(RW)	Wales & West Utilities	Non-Voting
Shiv Singh	(SS)	Cadent	Non-Voting
Apologies			
Becky Brand	(BB)	CNG	Non-Voting
Graham Wood	(GW)	British Gas	Voting
Phil Lucas	(PL)	National Grid NTS	Voting

Copies of all papers are available at <https://www.gasgovernance.co.uk/dsc-Contract/140218>

1. Introduction

1.1. Apologies for absence

See above table.

1.2. Alternates

For information, the appointed alternates of the committee are as follows:

Representative	Vote Count	Alternate
Kirsty Dudley	1 vote	Alex Travell
Graham Wood	1 vote	Andrew Margan
Steve Mulinganie	1 vote	Alexander Mann
Lorna Lewin	1 vote	James Crosland or Oliver Xing (do not email)
Rob Cameron-Higgs	2 votes (3.3.2 (a) applies)	TBC

Hilary Chapman	1 vote	Chris Warner
Joanna Ferguson	1 vote	Robert Wigginton
Beverley Viney	1 vote	Phil Lucas or Debbie Brace
Phil Lucas	1 vote	Beverley Viney or Debbie Brace
John Cooper	1 vote	Victoria Parker
Victoria Parker	1 vote	John Cooper

1.3. Approval of Minutes (17 January 2018)

The minutes from the previous meeting were accepted.

2. Business Continuity Plan

David Stowe (DSt) invited questions on the document titled *Business Continuity* that been provided for the meeting. No questions were raised and DSt suggested that he was happy to receive feedback post-meeting.

3. Information Security Arrangements

3.1. Risk assessment scoring

Paul Bird (PB) who is Xoserve's Information Security Manager joined the meeting to provide an update on the recent security issues and the information security breach definitions. He began by informing the Committee that Xoserve have achieved re-classification of the international standard ISO 27001 which describes best practice in information security management systems.

PB briefly outlined the security issue in relation to information being provided for MPRNs that were not in the ownership of the Shipper in receipt of the data, explaining that this was not something that could have been predicted or tested for in advance. The process has now been updated to include a check for exceptions which were caused due to a code error. He reported that there was a delay in investigating the first incident due to the number of exceptions involved. In addition, a second incident in January highlighted this to be a bigger issue than originally thought.

KD raised concerns about the process and asked if a wider review was needed to prevent future occurrences. PB provided assurance that a thorough review had now been undertaken and as highlighted earlier the process now includes a check for exceptions which is an extra step in the process.

The committee briefly revisited the information security breach definitions that had been discussed at the previous meetings. PB presented a revised classification at the meeting which had taken into consideration the comments provided at the last meeting and he agreed to publish/circulate the revised definitions after the meeting.

DB commented that National Grid are required to report data beaches to Ofgem and asked if Xoserve are required to do the same? PB agreed to check if this is a requirement and welcomed this as an example of good practice.

4. Contract Assurance Audit

4.1. Audit Plan: January-June 2018

Eve Bradley (EB) introduced the Xoserve audit summary report for the period 01 July to 31 December 2017. KD queried 2 areas; HR had been given an audit grading of 'unsatisfactory' and Sales had been given a grading of 'improvement needed'. EB confirmed that a number of improvement actions were identified to address the issues and these had all been addressed. She also acknowledged that the gradings given may have been on the harsh side but this did have a positive effect in terms of resolution.

5. Monthly Contract Management Report (KPIs)

5.1. KPI reports

Sandra Simpson (SS) and Sat Kalsi (SK) took the Committee through the KPI report provided for the meeting. Particular focus was given to the 4 KPI failures and 3 KPIs that are classified as an 'amber' risk. SS highlighted that these were the first KPI failures since the introduction of project Nexus and Xoserve were keen to assure customers that they were doing all they could address any underlying issues.

CW asked how the issues are identified, was it self-identification by Xoserve or customers bringing issues to the attention of Xoserve? SS confirmed that it was a mixture of the two.

A brief discussion was then had on agenda item 5.3 future KPIs and SS highlighted that once the KPIs had been finalised a review of the 108 KPIs would be undertaken to ensure consistency with the UNC and to simplify where possible.

MO then provided a brief overview of the summary slide highlighting the supply point information and the 'highlights and other matters' tables. In relation, to the SPAA Schedule 22 change he informed Shippers that a disclosure of permission was needed.

Finally, in response to action 0106 he confirmed that a change budget utilisation chart had been provided within the 'change report summary' tab of the spreadsheet.

For further detail please see KPI reports and 3rd Party invoicing which can be found here: <https://www.gasgovernance.co.uk/dsc-Contract/140218>

5.2. Summary position of aggregate UIG flows

Dave Turpin (DT) briefly went through an onscreen review of the UIG resolution presentation provided for the meeting which covered 4 areas:

- DM read rejection update
- DM financial adjustments progress
- DM financial adjustments burndown
- Latest UIG volatility

DT reported that Xoserve continue to provide data on the volume of read rejections. There is some outstanding work in relation to Pot 1 and Pot 2 but good progress has been made. Next steps will be informed by the decision on the Urgent UIG Modifications which are due to be discussed by the Modification Panel on 15 February 2018.

5.3. Consideration of future KPIs and impacts on budget

Michelle Downes (MD) provided an update on the work to develop future KPIs. She reported that significant progress has been made since the last meeting. The key change is the decision to re-brand the KPIs to KPIs (key value indicators) with implementation from April 2018. 'Strawman' KPIs have been produced and they are currently being reviewed by customers. She reiterated that the existing KPIs are not being replaced and these are additional indicators across 6 key themes:

1. Issue resolution/management
2. Change management
3. Customer relationship management
4. Data Quality

5. Data Security
6. No surprises.

These themes include 20 KVIs that will feed into a balanced scorecard.

In relation to theme 6, KD indicated that they had experienced a few issues over the Christmas period and more consideration needs to be given to how issues are communicated and followed-up with industry.

Some members re-iterated previous concerns about the use of the terminology “data quality” suggesting that as Xoserve don’t own the data perhaps ‘data governance’ or ‘data services’ would be more appropriate.

Measurement of KVIs was also briefly discussed. MD confirmed that agreeing the right measures was critical and the next step was to sense check if the proposed KVIs will ensure improvements in the customer experience can be captured and that this can be measured via the satisfaction survey results.

6. Financial Information

6.1. Cost allocation model and methodology

No update provided this month.

6.2. CDSP Budget

Nick Stace (NS) provided a summary presentation on the January 2018 forecast, which takes into account the actual performance of the business over the past nine months.

The forecast indicates that an operating profit in line with the budgeted position will be delivered by the end of the financial year (before the exceptional costs of the Optional Leavers Scheme(OLS)). This is an improvement on the previous October 2017 forecast by approximately £700k.

However, the inclusion of the OLS costs results in a loss of £3.7m but this is an ‘accounting’ loss since the OLS is fully funded. A revised view of charges has been produced in light of this new forecast.

NS then provided a brief illustration of the:

- Year to end results and the latest full year cost
- January forecast back in line with budget
- Full year – charges and totex
- Rebates and deferred charges based on January forecast.

In relation to the rebates and deferred charges, NS highlighted that this information was also being produced by constituency and the first report for DNOs would be issued shortly. Shippers asked for more information on what has changed from an Opex and Capex perspective for them and a detailed explanation of the figures was provided. NS then stated that an additional supporting document for Shippers was being developed and would be circulated by the end of the week.

6.3. Annual Charging Statement

No update scheduled for this month.

6.4. Invoicing

This item was discussed under agenda item 5.1.

7. Review of Outstanding Action(s)

0804: *New data enquiry service and helpline service* – Xoserve to provide a presentation on the actions taken for suspicious use and provide recommendations.

Update: DT reported that the analysis had been completed but they are still seeing some of the same behaviours in relation to use of the helpline service. They will continue to monitor and challenge callers as required and consider blockage of certain phone numbers/callers if deemed necessary in the future. In response to a question from SM about whether the policy document has been updated, DT agreed to check it has been updated and to circulate it with the slides he was producing. **Carried Forward**

1101: *Information Security Breach:* DT/ES to circulate definitions of P1, P2 etc

Update: PB confirmed that the revised definitions have been discussed and will be circulated, so this item can now be closed. **Closed**

0101: MO to confirm what percentage of meters are classified as Class 3.

Update: MO confirmed that this information has now included on the KPI dashboard so this item can now be closed (covered under agenda item 5.1). **Closed**

0102: ES to include an agenda item on iGT LDZ mapping for the next GT and iGT meeting agenda.

Update: ES confirmed this has been actioned so this item can now be closed. **Closed**

0103: All parties to provide feedback to MD with views on future KPIs and impacts on budget.

Update: MD reported under agenda item 5.3 that feedback had been received. **Closed**

0104: MD to provide an update at the next meeting with a focus on those areas that could be implemented as 'quick-wins'.

Update: MD provided an update under agenda item 5.3. **Closed**

0105: ES to provide a post-meeting update of the annual charging statement including a timeline.

Update: ES confirmed that the annual charging statement had been published and some individual statements had been provided for some customers. **Closed**

0106: ES to include CDSP Budget pie chart showing DSC Change Budget Utilisation in the future DSC Change Management Committee updates.

Update: ES confirmed that a pie chart showing DSC change budget has been included in the KPI spreadsheet. **Closed**

0107: ES to provide a high-level summary (dashboard style) with a RAG status for future meetings.

Update: ES confirmed that a new GDPR dashboard has been developed and provided for this meeting. **Closed**

0108: ES to formally send the Change proposal to DSC Contract Managers and seek approval from voting members at next month's meeting.

Update: ES confirmed that this has been actioned. **Closed**

0109: DSC Contract Managers to review the current meeting day and time and provide feedback to Joint Office if they feel a change is required.

Update: CS confirmed that no requests to change the current meeting day/time had been received suggesting that the Committee was content to stay with the current arrangements. The 11am start times could be reviewed as it was highlighted that some of the planned iGT Panel meetings would no longer clash. However, some members highlighted that the earliest they could attend in person would be 11am. It was therefore agreed to keep the current arrangements for now. **Closed**

0110: RW to provide details of his alternate.

Update: RW confirmed that he had not yet identified an alternate. **Carried Forward**

8. Key Committee Updates

8.1. DSC Change Management Committee

Emma Smith (ES) provided an update from the Change Management Committee held on 07 February 2018. She confirmed that:

- 2 new change proposals were raised and sent for consultation/passed to the DSC Delivery Sub Group to consider
- 2 closure notices were approved
- Release 3 scope was approved
- Release 2 on track- dashboard to be updated to also indicate how customers are progressing against the proposed timeline.
- Positive feedback from Workgroup 0630R on participation levels.

She stated that an additional meeting was being held on 14 February 2018 following the DSC Contract meeting to consider the DSC Change implementation plan and within that 18 change proposals were seeking approval.

8.2. PAC/PAFA

An update from the Performance Assurance Committee (PAC) meeting held on 05 February 2018 had been provided in advance of the meeting. ES highlighted a number of key areas:

- PAC considering whether to raise an enabling Modification to allow them to get performance reports easier/to be more dynamic in carrying out their assurance work
- PAC have discussed the Daily Metered (DM) read submission reports and the Class 2 and 3 read submission reports along with the issues of delays in DM consumption adjustments
- The PAFA will develop the PAC 2018/19 work plan to present back to the PAC at its next meeting
- The PAC looked into AQ reports as a reporting area not covered by MOD520A reporting and will consider raising a Modification next month to implement this reporting.

8.3. General Data Protection Regulation (GDPR)

Emma Smith (ES) provided an update from the last meeting stating that there was increased attendance from the December meeting. Discussion points included new data subject rights for erasure, ratification and portability and whether industry wide policies are required for these new rights. The next meeting of the Workgroup is on 27 February 2018.

In response to action 0107 MO shared a presentation titled GDPR Dashboard. He briefly took the Committee through the 2 slides on business readiness and the RAG dashboard which looks at the processes. The Committee was asked to provide any comments to MO after the meeting.

New Action 0201: Committee members to provide any feedback on the GDPR dashboard to MO (Xoserve).

9. XRN4568 DSC Service Description Table – cosmetic changes to service lines

ES introduced the Change proposal from the 17 January 2018 meeting *XRN4568 DSC Service Description Table – cosmetic changes to service lines*. She confirmed that no representations or concerns had been received in relation to the proposed change. CS invited the Committee to vote on the proposal which was unanimously accepted.

10. Any Other Business

10.1. Formula year AQ/SOQ amendment update

ES provided a verbal update on the error in the AQ calculation process. A change was applied to the AQ calculation in December. It has been identified there was an error in the functional change applied resulting in further errors in the AQ calculation. Impacts are to the Rolling AQ value only and impacted Shippers have been informed. A further fix was applied prior to the February AQ calculation commencing and a data fix will be applied in March to rectify the impacted Meter Points.

10.2. Modification 0630R Meeting Update

Chris Warner (CW) provided a brief update highlighting that the next meeting on 21 February will consider Topic Area 3.5 *Change of Shipper Required Information*. This will consider Shipper requirements regarding how the Supply Point on UK Link can be established with the required settlement data in line with a switch event on the Central Switching System.

CW strongly encouraged participation in this Workgroup.

Further information is available on the Joint Office website:

<https://www.gasgovernance.co.uk/0630/260118>.

10.3. Data request for H21 Hydrogen Project

Fiona Cottam (FC) provided a brief overview of the H21 Project, explaining that Xoserve have been approached by Kiwa Gastec to provide data for use in their H21 Hydrogen Project which has been commissioned by Northern Gas Network (NGN). The project continues the work undertaken previously with Amec Foster Wheeler, Wales and West Utilities and NGN titled “H21 Leeds City Gate”. It will extend the work to 11 urban areas and also to London. The report will provide a total natural gas consumption for these areas.

FC briefly explained the nature of the data request, which is to provide:

- a) A count of meter points split between Domestic/I&C for a specified list of postcodes in each city/region; and
- b) AQ split between Domestic/I&C for a specified list of postcodes in each city/region.

SM asked if large individual sites could be identified from the post codes and if so questioned if there is a data protection issue. FC reassured the Committee that meter point reference numbers would not be provided and protection of consumer data had been considered and was in line with the approach taken by BEIS. Data would, therefore, be aggregated to prevent identification of individual consumer data.

FC then explained the conditions under which the data would be provided, clarifying that it would only be used for this assignment and would not be disclosed or shared to any other party. She also confirmed that the cost of the extraction would be equivalent to one day per city/region and DNOs would be asked to fund the cost of the data provision. JF highlighted that she would be looking to set up an NGN innovation project to fund this work.

In terms of data ownership, FC confirmed that a) DNOs have previously given permission to disclosure of Supply Point counts and that the request has now been extended to include AQs as at 2015 and 2018.

A brief discussion took place following a question from SM about why this request does not require a Modification? FC reiterated that this was a one-off request which did not require the provision of meter point level data. CW expressed concern which was shared by other Transporters about the legality of the request and suggested that the request be checked in the context of UNC-TPD Section V Para 5 as it was not clear if Transporters had the vires to agree to the request.

New Action 0202: CW (Cadent) to review provisions of UNC TPD Section V Para 5 in the context of this request. It was also suggested that general advice be developed to handle future requests.

Further information on the project is available from Kiwa Gastec or Northern Gas Networks and a link to the case study is provide below: <https://services.kiwa.co.uk/energy-carbon-advice/hydrogen-leeds-h21>.

10.4. Xoserve Strategy Overview

Vicky Palmer (VP) and Martin Baker (MB) took the Committee through the presentation titled: 'Strategy Overview' which had been provided for the meeting. The presentation covered the following areas:

- Strategy Building – where to start, why are we here?
- Strategy House
- 5 strategic objectives – customer centric, data driven, change leading, operationally excellent, people powered.
- Responsible Business and Maintaining assets
- Managing a leverage strategy – 'the filter
- What tests Xoserve will apply?
- Leveraging assets
- Next Steps.

VP explained that a series of workshops had been held to develop the strategy which uses the approach of considering "who we are" underpinned by 4 broad areas – people, process, technology and data. It also looks at "why should anyone care?".

She highlighted that the strategy is based on an obligation as *custodians of assets* critical to the energy sector to ensure that they are maintained to a high standard and that their return on investment is maximised to benefit all. The core business is described as 2 components – 'maintain' and 'leverage' and is less about 'growth'.

VP then described the 'Strategy House' which has been developed with a number of pillars covering Xoserve's strategic objectives – customer centric, data driven, change leading, operationally excellent and people powered. She explained that each theme or area is sponsored by a member of the Executive and measure by the Board. Ranjit Patel as sponsor of the customer centric objective explained that this theme underpins all the objectives and is not just a discrete pillar. He briefly shared his vision stating the importance of recognising that customers are the starting point and not the organisation.

VP invited Committee members to read the presentation and provide appropriate challenge.

SM asked a question in relation to the tests that would be applied for newly identified opportunities to decide if it is something that should be pursued. He suggested that stakeholders could be a blocker in the assessment of the acceptable level of risk of an opportunity. VP acknowledged the point and indicated that Xoserve would need to build the business case in conjunction with stakeholders. In response to a question from CS, VP confirmed that Centralised Switching Service which is part of the Ofgem Switching Programme is being used as an example of a potential opportunity.

In terms of next steps, further detail will be shared with the industry at a customer event due to take place on 25 April 2018. Insight is sought from the industry to help make the strategy relevant and fit for purpose. In addition, RP encouraged the Committee to respond candidly to the customer satisfaction survey which was sent out on 12 February.

10.5. Update on Supplier Future Energy (Supply) Ltd – Ceased Trading

Emma Smith (ES) provided a verbal update on *Future Energy (Supply) Ltd* who have ceased trading. She confirmed that the requirement to provide information to DNs and Ofgem has been provided ahead of time and all other information has been updated. The supplier of last resort is facilitating helping with the transfer of ownership process and this is progressing smoothly. In terms of Xoserve exposure this has been limited as the contract has been terminated immediately and the financial impact is minimal.

11. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

Time / Date	Venue	Workgroup Programme
11:00, Wednesday 14 March 2018	Lansdowne Gate, 65 New Road, Solihull B91 3DL	Standard Agenda
11:00, Wednesday 18 April 2018	Lansdowne Gate, 65 New Road, Solihull B91 3DL	Standard Agenda

Action Table (as at 14 February 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0804	16/08/17	7.0	<i>New data enquiry service and helpline service – Xoserve to provide a presentation on the actions taken for suspicious use and provide recommendations.</i>	Xoserve (DT)	Carried Forward
1101	15/11/17	9.3	Information Security Breach: DT/ES to circulate definitions of P1, P2 etc	Xoserve DT/ESm	Closed
0101	17/01/18	5.1	MO to confirm what percentage of meters are classified as Class 3.	Xoserve (MO)	Closed

Action Table (as at 14 February 2018)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0102	17/01/18	5.2	ES to include an agenda item on iGT LDZ mapping for the next GT and iGT meeting agenda.	Xoserve (ES)	Closed
0103	17/01/18	5.3	All parties to provide feedback to MD with views on future KPIs and impacts on budget.	All	Closed
0104	17/01/18	5.3	MD to provide an update at the next meeting with a focus on those areas that could be implemented as 'quick-wins'.	Xoserve (MD)	Closed
0105	17/01/18	6.3	ES to provide a post-meeting update of the annual charging statement including a timeline.	Xoserve (ES)	Closed
0106	17/01/18	8.1	ES to include CDSP Budget pie chart showing DSC Change Budget Utilisation in the future DSC Change Management Committee updates.	Xoserve (ES)	Closed
0107	17/01/18	9.1	ES to provide a high-level summary (dashboard style) with a RAG status for future meetings.	Xoserve (ES)	Closed
0108	17/01/18	9.3	ES to formally send the Change proposal to DSC Contract Managers and seek approval from voting members at next month's meeting.	Xoserve (ES)	Closed
0109	17/01/18	9.6	DSC Contract Managers to review the current meeting day and time and provide feedback to Joint Office if they feel a change is required.	All	Closed
0110	17/01/18	9.6	RW to provide details of his alternate.	W&WU (RW)	Carried Forward
0201	14/02/18	8.3	Committee members to provide any feedback on the GDPR dashboard to MO (Xoserve).	All	Pending
0202	14/02/18	10.3	CW (Cadent) to review provisions of UNC TPD Section V Para 5 in the context of this request. It was also suggested that general advice be developed to handle future requests.	Cadent (CW)	Pending