

Industry Dialogue on xoserve Services and their Funding

Minutes of Workgroup Meeting

10:00 Wednesday 31 January 2007

Attendees

Tim Davis	TD	Joint Office
Chris Smith	CS	xoserve
Graham Wood	GW	BGT
John Bradley	JB	Joint Office
Joel Martin	JM	Scotia Gas Networks
Laura Doherty	LD	RWE Npower
Martin Brandt	MB	Scottish and Southern Energy
Marcus Stewart	MS	National Grid Distribution
Nick Morris	NR	xoserve
Simon Trivella	ST	Wales and West Utilities

1.0 Introduction

TD welcomed attendees to the meeting.

1.1 Minutes of Last Meeting

These were agreed.

1.2 Actions Arising

None

2.0 Completion of Final Report

2.1 General Comments

A few comments had been received. TD asked whether there were any major issues with the current draft. MB wanted to revisit the summary and reference criteria to make sure implementation would not create major administrative overheads. LD expressed concern with the principle of user pays but if this were a necessary development, she felt that the report was a satisfactory summary of the Workgroup's views. GW anticipated some feedback from Ofgem on the lack of detail in some areas but the timescales had not allowed detail, of the nature requested, to be obtained for the report. TD responded that Section 9 (Next Steps) could identify further work to be done. ST highlighted, in respect of Section 4.4, that not all the Workgroup had agreed that all four criteria should apply. JM highlighted the need at some stage to define better the service lines. MS raised no major issues but recognised the shortfall between the report and Ofgem's original expectation of what the Workgroup would achieve within the timescale given. There was therefore a consensus that service line definitions should be developed within 2007. Ofgem's latest consultation document indicated that an impact assessment would be carried out commencing in February 2007.

2.2 Detailed Drafting Review

The Workgroup then proceeded to review the report in detail, marking up the text where changes were required. During the discussion, the following additional items were identified for inclusion within the report.

- Issues and Risk Section associated with implementation of the Report’s conclusions. This should include a discussion of the risk associated with transaction based charging if user behaviour led to the situation where the overheads of the service were not covered by a reduced level of transactions.
- Possible inclusion of an executive summary – although some members believed this would simply duplicate the conclusion and recommendations section.
- Section 2 (Features of xoserve’s systems) to include cross references to Section 4 (xoserve Funding Arrangement)
- Paragraph 4.8 to include cross reference to Section 9 (Next Steps)
- Section 6 (Governance) to emphasise the need for a straightforward governance framework to minimise administrative overheads and maximise transparency.
- Table in paragraph 7.1 to more accurately reflect progress made with deliverables and next steps, and this Section to include reference to Section 9.
- Several changes to Section 8 (Conclusions and Recommendations) were discussed, including the possibility of user supported enhancements being embodied within the planned UK Link replacement.

2.3 Next Steps Section

CS gave a presentation of the next steps that could be taken in order to implement the principles. It was agreed that Section 9 of the report should reflect this but it should emphasise the tightness of the timescales. The Workgroup particularly wished to highlight the need for early clarity on the regime to be implemented. It was acknowledged, for example, that more than one governance route might exist for governance of charging methodology – it could be set-out in the Gas Transporter Licences or in the UNC.

3.0 Any Other Business

The Workgroup agreed on the timetable to be followed for publication of the report and presentation to Ofgem. The Joint Office would be responsible for the agreed amendments and would lead the presentation to Ofgem. An agreement by exception policy would be adopted with circulation of report drafts focussed on the Workgroup members, although the reports and minutes would continue to be published on the Joint Office website to allow wider input.

For the Ofgem presentation itself, it was agreed that the focus should be on the key messages with examples provided to emphasise these.

4.0 Diary Planning for Work Group

In order to produce the final report and present it to Ofgem the following dates were agreed:

5 February 2007	JO to produce a further draft based upon discussion within meeting and sections on risks, issues and next steps.
9 February 2007	Workgroup members to submit final comments on draft.
13 February 2007	Workgroup meet at xoserve, Solihull, for final discussion on document if required.

	document if required
23 February 2007	Report submitted to Ofgem
1 March 2007	Presentation at Ofgem's office Millbank