

UNC DSC Extraordinary Change Management Committee Minutes
Tuesday 27 September 2022
Via teleconference

| Attendees | | | |
|--|-------|-------------------|--------------------------|
| Rebecca Hailes (Chair) | (RHa) | Joint Office | Non-Voting |
| Helen Cuin (Secretary) | (HCu) | Joint Office | Non-Voting |
| Shipper User Representatives (Voting) | | | |
| Claire Louise Roberts | (CM) | E.ON | Class A & Class C Voting |
| Oorlagh Chapman | (CM) | Centrica | Class A Voting |
| Lisa Saycell | (LS) | Gazprom Energy | Class B Voting |
| Ross Easton | (RE) | Total Gas & Power | Class B & Class C Voting |
| Transporter Representatives (Voting) | | | |
| Guv Dosanjh | (GD) | Cadent | DNO Voting |
| CDSP Change Management Representatives (Non-Voting) | | | |
| Emma Smith | (ES) | Xoserve | |
| James Rigby | (JR) | Xoserve | |
| Paul Orsler | (PO) | Xoserve | |
| Observers/Presenters (Non-Voting) | | | |
| Charan Singh | (CS) | Xoserve | |
| Clare Manning | (CM) | E.ON Next | |
| Dan Fittock | (DF) | Corona Energy | |
| Dave Turpin | (DT) | Xoserve | |
| Ellie Rogers | (ER) | Xoserve | |
| James Barlow | (JB) | Xoserve | |
| Molly Hayley | (MH) | Xoserve | |
| Rachel Taggart | (RT) | Xoserve | |
| Sally Hardman | (SH) | SGN | |
| <p><i>This DSC Change meeting due to requiring only Shipper votes will be quorate with at least three (3) Shipper Representatives.</i></p> <p><i>Please note these minutes do not replicate/include detailed content provided within the presentation slides, therefore it is recommended that the published presentation material is reviewed in conjunction with these minutes. Copies of all papers are available at: https://www.gasgovernance.co.uk/DSC-Change/270922</i></p> | | | |

1. Introduction

Rebecca Hailes (RHa) welcomed all to the meeting and confirmed the meeting was quorate.

1.1. Apologies for absence

None received.

1.2. Alternates

None advised.

1.3. Confirm Voting rights

The Shipper voting rights were confirmed as detailed below:

| Representative | Classification | Vote Count |
|-----------------------|---------------------|------------|
| Shipper | | |
| Claire Louise Roberts | Shipper Class A & C | 2 votes |
| Oorlagh Chapman | Shipper Class A | 1 vote |
| Lisa Saycell | Shipper Class B | 1 vote |
| Ross Easton | Shipper Class B & C | 2 votes |

2. BER Approval - XRN5554 Allocation of Unidentified Gas Expert (AUGE) Management Independent Review BER for UK Link February 2023 Major Release

Ellie Rogers (ER) provided an overview of the [Business Evaluation Report \(BER\)](#) raised to request approval of the funding required to appoint a Third Party to undertake an independent assessment of the AUGE's compliance with:

- It's contractual obligations
- The terms of the AUG Framework document
- All relevant UNC obligations.

For full details please refer to the published BER.

The recommendation to appoint an independent assessor required £90k for the change budget this year and an ongoing uplift of a similar amount for following budget years, fully Shipper funded. ER confirmed that the independent party that will be appointed to undertake this assessment would be KPMG.

Dan Fittock (DF) provided additional context to the proposed independent assessment, which he had originally sought to be addressed through [Modification 0782 – Creation of Independent AUGE Assurer \(IAA\) role](#). He confirmed he had withdrawn the Modification once he was happy that there was a cheaper and faster way of achieving the aim and he confirmed that he believed the change proposal would ensure views presented are listened to and correctly handled. DF supported the new approach on behalf of ICoSS representing 80% of the I&C market.

It was clarified that, if approved, the funding would come out of the existing Change Budget and added to the Business Plan for the continuation of funding going forward.

Shipper Representatives considered the BER and voted Against its approval as follows:

| Voting Outcome: | | |
|-------------------------|--------------|-------------|
| Shipper Representatives | Voting Count | For/Against |
| Claire Louise Roberts | 2 | Against |
| Oorlagh Chapman | 1 | Against |
| Lisa Saycell | 1 | For |
| Ross Easton | 2 | Against |

Members who had voted against the need for an independent audit believed that an audit was unnecessary with potential unnecessary costs for consumers. It was noted that the AUGE is appointed through a procurement exercise and there were alternative routes through additional changes in contractual arrangements to allow for compliance activities.

Lisa Saycell (LS) believed there was wide support and suitable justification for an independent audit, noting there has been no consultation on the proposed changes to seek views outside the DSC Committee.

3. AOB - Energy Price Guarantee (EPG)

Dave Turpin (DT) wished to have the opportunity to discuss the impact on the Energy Price Guarantee (EPG) Scheme and provide the Committee members present with an overview of the support required for the scheme's administration.

DT explained the subsidy process to deliver the service under Urgent Modification 0824 - Appointment of CDSP as the Scheme Administrator for the Energy Price Guarantee (EPG) for Domestic Gas Consumers (Gas).

DT explained that positions will be adjusted to take account of the Government subsidy using the reconciliation process and Adjustment invoice and clarified that the Government will not be funding the administration of the scheme.

DT noted that the Ofgem decision letter did not provide a position on the funding.

The funding options being considered, after much discussion at the Panel on Thursday 22 September were:

- All DSC Parties
- All Shippers
- All Domestic Shippers

DT confirmed a Change Proposal will be raised to consult on the proposals ([XRN5565](#)).

Sally Hardman (SH) challenged BEIS' legal ability to instruct Xoserve to undertake an industry change, DT explained the legal position of the scheme and Government funding, reassuring the Committee appropriate authority would be in place.

Lisa Saycell (LS) enquired about the approach, the identification of Domestic Customers and Xoserve's involvement. LS's view was that the funding of the scheme's administration should be funded across all Shippers.

DT confirmed Xoserve are seeking views from Ofgem on the funding for the scheme's administration, noting a similar scheme is being considered for Business Customers.

An initial cost estimate of £1m - £1.5m per annum was envisaged, to enable Suppliers to accede to the scheme, to manage the reconciliation process, to ensure suitable controls and audits are in place.

DT confirmed that the impact on major change programmes had not yet been assessed. The assessment will need to be finalised.

DT clarified that there is no active approval/voting for the DSC Change Committee to undertake, however parties will be kept informed of all developments.

4. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

| Time/Date | Meeting Paper Deadline | Venue | Programme |
|-------------------------------------|------------------------|-----------------|-----------------|
| 10.00 Wednesday 12 October 2022 | 03 October 2022 | Microsoft Teams | Standard Agenda |
| 10.00 Wednesday 09 November 2022 | 31 October 2022 | Microsoft Teams | Standard Agenda |
| 10.00 Wednesday 07 December 2022 | 28 November 2022 | Microsoft Teams | Standard Agenda |

Action Table (as of 27 September 2022)

| Action Ref | Meeting Date | Min Ref | Action | Owner | Status Update |
|------------|--------------|---------|--|--------------|------------------------|
| 0207 | 13/07/22 | 2.1 | JR (Xoserve) to assess the DSC Change related procedures and documents to ensure they are still fit for purpose. | Xoserve (JR) | Carried forward |