

UNC DSC Contract Management Committee Minutes

10:15 Tuesday 18 April 2017

at Lansdowne Gate, 65 New Road, Solihull, B91 3DL

Attendees

Rebecca Hailes (Chair)	(RHa)	Joint Office	Non-Voting
Helen Bennett (Secretary)	(HB)	Joint Office	Non-Voting

Shipper User Representatives

Colette Baldwin	(CB)	SSE	Shipper Class A - Voting
Robert Cameron Higgs	(RCH)	Flow Energy	Shipper Class V - Voting (2 votes)
Steve Mulinganie*	(SM)	Gazprom	Shipper Class B - Voting

Transporter Representatives

Joanna Ferguson*	(JF)	Northern Gas Networks	DNO Representative
Kishan Nundloll*	(KN)	ESP	iGT Representative (2 votes)
Sue Hilbourne*	(SH)	SGN	DNO Representative

CDSP Change Management Representatives

Dave Turpin	(DT)	Xoserve	Non-Voting
Matt Smith	(MS)	Xoserve	Non-Voting

Observers

Gethyn Howard*	(GH)	Brookfield Utilities	Non-Voting
Clare Cantle-Jones*	(CCJ)	SSE	Non-Voting
Nicky Rozier*	(NR)	BUUK Infrastructure	Non-Voting
Richard Pomroy*	(RP)	WWU	Non-Voting

Apologies

Sean McGoldrick
Beverley Viney

Copies of all papers are available at: Copies of all papers are available at: <http://www.gasgovernance.co.uk/DSC-Contract/180417>

1. Introduction

1.1. Confirm attendees, clarify roles, membership and voting rights

RH welcomed all to the meeting, confirmed that, for the meeting to be quorate, it required at least 3 Shipper Representatives and 3 DNO Representatives, NTS Representatives or iGT Representatives to be present and a total of 7 votes. With the attendees present, the meeting was declared quorate.

1.2. Apologies for absence

Sean McGoldrick and Beverley Viney sent their apologies.

1.3. Alternates

It was confirmed that:

Colette Baldwin had appointed Kirsty Dudley as her Alternate;

Graham Wood had appointed Andrew Margan as his Alternate;

Steve Mulinganie had appointed Alexander Mann as his Alternate;

Sue Hilbourne had appointed Chris Warner as her Alternate;

Joanna Ferguson had appointed Robert Wiggington as her Alternate;

Kishan Nundloll had appointed Nicky Rozier as his Alternate;

Sean McGoldrick had appointed Beverley Viney as his Alternate;

Beverley Viney had appointed Sean McGoldrick as her Alternate;

Lorna Lewin has appointed James Crosland or Oliver Xing as her Alternate (contact details TBC).

1.4 Minutes from last meeting

The minutes from the previous meeting (15 March 2017) were approved.

Referring to the minutes from 15 March 2017, SM mentioned that the Quality Statement in section 7 needs rewording. DT confirmed the Statement will be updated on the Xoserve website once internal governance is complete.

Action 0401 – DT to update the Quality Statement and circulate to the group to review allowing 5 days for the review before publication on the Xoserve website.

1.5 Terms of Reference

The necessity for a specific document was discussed. It was recognised that there were specific contractual arrangements and documents that govern the operation of DSC Committees.

CB suggested that the Terms of Reference (TOR) are set out in the contract and it might not be helpful for a second document.

Referring to the Modification 0565 Legal Text – Annex D 4.1.1, RP requested that the TOR make reference to the DSC Contract Committee being a UNC Sub-Committee. CB mentioned that the DSC is a separate contract and includes arrangements and procedures that govern the operation of the Change and Contract Committees. These documents are available on the Joint Office website.

RP agreed although stressed that they should be reflected as UNCC Sub Committees.

RP referred the group to Section 4 of the document, specifically 4.1.5 whereby it states that the UNC Committee has no power to overrule a decision of a DSC Committee. They operate autonomously. Therefore, in terms of a new User looking to learn about the process, Users will expect to find documentation as a sub-committee.

The group confirmed that the location on the Joint Office website appears to be correct as these committee meetings are seen to be slightly different to that of a UNCC Sub Committee.

DT advised that he is happy to include a statement in the TOR that suggests under 4.1.5 of the document that both the Change and Contract Committees are Sub Committees of Network Code.

Action 0402: Draft a document for use as TOR including reference to General Terms D section 4.1.5 and including a note that both the DSC Change and Contract Committees are Sub Committees of Network Code.

1.6 Pre-modification discussions (Modification 0615 – Representation on DSC Committees: Amendment to include mid-year appointments)

CB took the group through the UNC 0615 presentation provided for the meeting, outlining its purpose, which was to manage mid-year Shipper representative appointments to previously unrepresented constituencies.

CB indicated that she had tried to keep the proposal as simple as possible and the Solution as neutral as possible to enable adaption as appropriate. It was not envisaged that this proposal would address any issue other than under-representation in a particular Class.

This Modification was to be submitted to the April UNC Modification Panel, with the Proposer's recommendation that it follow self-governance procedures and development by a Workgroup.

Referring to the term 'mid-year appointments' RCH asked why not a looser arrangement rather than 'mid-year appointments'? CB confirmed this has been thought about within the Modification and that 'mid-year appointment' is referred to specifically because the first year is for 18 months and subsequent years will be 12 months. For example, for Shipper Class C, where one person is holding 2 voting roles, somebody might come forward to take one of those votes. If a further person came forward, CB confirmed that the rules are flexible enough and that the way the Modification has been put forward, would mean that the rules would not need to change should there be a further election process.

RCH received clarification that being a Shipper with 2 votes, he is representing both himself and those that elected him; representatives represent everyone in their class.

CB advised that the class A shippers have agreed a process of communication from these meetings.

There was then extensive discussion regarding the open/closed distribution list for the Contract Committee meeting that is used by the Joint Office.

RH confirmed to the group that the Joint Office currently sends all meeting invitations out to the committee members plus an extensive distribution list to the industry, all contacts are placed in the BCC field to prevent loss of confidentiality.

It is suggested that, going forward, the Joint Office distribute the DSC Committee invitations in the following way:

1. Open Email to Committee Members including Alternates
2. Closed Email to the wider industry distribution list

RCH made a suggestion that Joint Office could put contact details at end of each set of minutes.

Action 0403 RH to confirm correct distribution list with DT and share with committee members.

2 Credit Committee (as sub-committee)

2.1 Approval of the Credit Rules

See below, 2.3.

2.2 Structure and membership of Credit Committee

RH confirmed that the DSC Credit Committee members were formally agreed via email and the Joint office website shows the members of the DSC Credit Committee in the same way as it does for the other two DSC Committees.

2.3 DSC Credit Committee member confidentiality agreement

There was debate as to whether this topic was appropriate for this meeting. RP also stated that legal points have been raised and the Legal Team are not available to be able to discuss the points raised.

RH confirmed this topic will be referred to the Credit Committee being held on 24 April 2017 at which time approval of the Credit Rules will also be considered.

3 Business Continuity Plan

DT advised the group that the Assurance Team have provided a timeline for a BCM update in a report, it now just needs the Change, Contract and Credit Committees adding in and clarification is required as to which of the Committees the update will be provided to. Confirmation needs to be provided and the timeline will be issued via the Joint Office.

Action0404: DT to seek confirmation of which Committees require updates.

4 Information Security Arrangements

DT advised the group that with regards to the Questionnaire on Info Security/Data Protection, there is some clarification on some questions which DT is following up; the meeting is yet to be arranged.

5 Contract Assurance Audit

DT advised that Audits are ongoing and that Xoserve are looking to consolidate a few of the audits, and presently awaiting a report to then be able to identify what audits are missing.

SH asked for a timeline due to RRP coming up shortly. DT advised that a timeline will be issued ASAP, before these minutes are issued.

5.1 Agree Scope

Not discussed.

6 Format of (or shadow) Monthly Contract Report (KPIs)

MS talked the group through the KPIs February 2017 report provided for this meeting, outlining that all P1 and P2 KPI's were met.

There will be a new reporting format presented at the next meeting which will be in a dashboard style layout.

DT confirmed the KPI new format will be published at least 5 days ahead of the next meeting.

Action 0405: MS to provide March KPIs under the current format at the next meeting

Action 0406: MS to provide draft April KPIs using the new dashboard format at the next meeting where possible.

7 Financial Information

MS advised that the tracking of Finances has not yet started.

SH asked if more than one invoice would be generated.

Action 0407: DT will confirm the generation of invoices.

DT advised that there are some changes that will need to be built in to the Charging Statement, in particular changes to the Services Schedule which is partly related to Modification 0604.

MS requested the Committee Members to consider a change to an unspecified medium for issuing M Numbers; where currently DVDs are specified. Xoserve's legal team has advised that USB memory sticks offer higher security protection and therefore there is a desire to move away from specifying the need for DVDs. This will require a change to service lines to remove references to DVD, so that Xoserve can then issue M Number Data under any medium that is required. MS added that there is little difference in cost between the DVD approach and the intended USB approach.

DT asked the group if, in principle, they were comfortable that Xoserve could move to memory stick for those within the Industry that require it.

CB suggested that as the M Number DVD is part of the SPAA process, that it should be referred to them in the first instance.

DT suggested that the best way forward would be to allow the M Number DVD to run as normal this month and that next month Xoserve will approach the Industry to change to a USB format instead of a DVD format. To do that Xoserve will contact all individual parties that currently subscribe to this service, and also refer this to the SPAA governance group with a view that if it is a SPAA change, due to the timeline, it could mean an October release.

Once both the subscribed parties and SPAA governance are satisfied Xoserve will propose a change to the service schedule. A vote was therefore not carried out.

CB expressed that anything that is to be included in future meetings that requires a vote is to be communicated to the committee members no less than 5 days before the meeting and not just added in as AOB.

7.1 Cost Allocation Model and Methodology

Not covered.

7.2 CDSP Budget

MS confirmed that next month, budget tracking reporting will be provided and that trend analysis will be provided as part of this report.

7.3 Annual Charging Statement

Not covered.

7.4 Invoicing

Not covered.

8 Governance of future central systems delivery

SM started the conversation around this topic by advising that he is concerned as to how the new Service Operations Group Post Nexus Go Live will work.

RCH advised the group that he raised this point at the last Project Nexus Steering Group (PNSG) meeting stating that there was an action taken by Xoserve and Ofgem to see about transfer of knowledge beyond the PIS/hyper-care period within the 6 weeks after Project Nexus Implementation Date (PNID) with a view to working out some transitional handover from PNSG to the Service Operations group.

Following a number of questions and concerns from the group, DT explained the functionality of the embryonic SO group advising that Nexus governance arrangements need to continue through this period and ensure knowledge is not lost.

DT confirmed that the SOS function was expected to initially run through PNSG which is expected to be in place for a period following go-live. Following this the Change/Contract Committees would be responsible for deciding whether this function was still required and whether this would require a sub-committee to be constituted.

The group confirmed the position that the arrangements under development are for the PIS period only and that transition to the new BAU position should be achieved as quickly as possible following this.

SM raised a question over the funding and governance of defects and fixes and who could authorise expenditure in the short timescales required. DT suggested that the funding for the PIS period is already covered by UKLP and therefore decisions to implement fixes during this period could be authorised from within the programme. If fixes or changes are required that will be delivered in future releases (R2 and beyond) then these would be directed to the Change Management Committee for prioritisation of items for future release. If the required deliverables in either period required a re-opening of the planned budget then this would follow the DSC procedure via the Contract Committee. In future Change Programmes DT proposed that the project delivery teams would be responsible for local decisions around the delivery within the bounds of the budget for that work. CB challenged the purpose of the DSC Committees if this scenario is accepted.

The group were still unclear on some aspects of who would be making decisions during the PIS period, either PNSG or the relevant DSC Committee. SM stated that PNSG has no powers. There is further work also required to clarify the transition from PIS through to any enduring arrangements.

9 Review of Outstanding Actions

15/03/17-03: Annual Pricing Statements - To check if there is an ability to hold different rates for each Network. Are there triggers to check the prices now and can we add an annual checkpoint to the process.

Update: DT updated the group advising that rates are not built at Network level and confirmed there is a Single rate for some charges and that there are triggers in place to check the prices and yes, an annual process checkpoint can be added. **Closed**

15/03/17-04: Financial Performance - DSC customers have to agree to receive more than one invoice a month. If this doesn't suit your organisation please email the network support.box.

Update: Closed

15/03/17-05: Data Protection Questionnaire - To check if the scope had been extended following Xoserve's last audit.

Update: Carry Forward until on website. **Carried Forward**

15/03/17-06: Data Protection Questionnaire - Dates & requirements for workshop to be discussed agreed and fed back to Xoserve.

Update: Further clarification is required with regards to some questions. **Carried Forward**

15/03/17-07: Industry Governance Arrangements - To confirm when this will be presented at PNSG and feedback the groups concerns.

Update: To be included as a standard DSC Contract Committee Agenda item. **Closed**

15/02/17-01: I&C Phone Lines & Domestic M No. Helpline - A review of the current Terms of Use regarding extending the use of the Data Enquiry Service accounts to parties outside of the contracting Organisation.

Update: Dave Ackers is looking in to this action. **Carried Forward**

15/02/17-03: I&C Phone Lines & Domestic M No. Helpline - DT is to look into devising a note to go out to all Shippers from Xoserve's Communications team regarding the suspicions discussed. Slides are to be sent out with the Minutes.

Update: DT will summarise the slides that shows what other actions can be taken. **Carried Forward**

15/02/17-04: Feedback on Xoserve Services DSC - A summary of changes to the table of services are to be provided with track changes as well as a one pager recommendation of why changes have been made.

Update: DT provided a summary of changes. Track changes is completed but not yet transferred on to a one pager. **Carried Forward**

15/02/17-05: FGO Go-live - DT to circulate the internal engagement plan ahead of the next meeting in order to discuss at the next meeting.

Update: DT ran quite a few different internal Xoserve drop-in sessions. The different approaches gave broad awareness that Xoserve is no longer a Transporter Agent. **Closed**

18/01/17-03: Xoserve Performance Report - BV and JF are to provide DT with the key change updates that they want to see on a dashboard.

Update: **Carried Forward**

14/12/16-01: Access to information for Price Comparison Websites and Third Party Intermediaries- DT to find out from Xoserve data protection lawyers on the order from the CMA and the letter by ICO to see whether there are any data protection issues by giving DES access to PCW.

Update: Refer to DSC Change Committee. **Closed**

0301: Joint Office to provide a formal response to explain why Committee meetings cannot be resourced the day before UNC Panel meetings.

Update: Joint Office provided a statement in the updated "Date Options" slide pack from the joint pre-launch meeting 21 March 2017, available on the Joint Office website (<http://www.gasgovernance.co.uk/DSC-Change/210317>), advising why this date is difficult from both a Joint Office and other industry meeting point of view.

For clarity, the statement is reproduced here:

Post-meeting addendum 21 March 2017: Statement from the Joint Office of Gas Transporters regarding meeting dates.

"We strongly advise that the DSC Contract Management committee is not held on the day before the UNC Panel for 2 key reasons:

- 1. It clashes with the iGT UNC Panel day and this has a direct impact on membership, and on wider industry involvement with simultaneous important meetings.*
- 2. The UNC Modification Panel and UNC Committee meetings take precedent as they provide the overarching governance for the UNC. The JO has significant administrative tasks to prepare for the meetings on the day before, on the day of the meetings*

themselves and often (subject to the amount of documentation involved) on the day after.

The Joint Office has a small team and these new DSC committees provide additional responsibilities without corresponding resourcing changes (recent JO recruitment is to underpin core UNC activity - which was already a shipper concern). It is inevitable that the JO is the pinch point in the arrangements as we have to meet all needs, and not just one specific meeting. It should also be borne in mind that this assumes that there are no absences in the JO team - realistically there is always at least one person on leave - and it would only take a further absence for any reason to place undue strain on the JO. The workload can be accommodated providing it fits within the wider obligations put on the JO, and we ask that members recognise the need to balance all priorities. We believe we have presented reasoned options that seek to achieve a compromise in the interests of all parties.

However, if this is the only date that is acceptable to industry, we will try our best to meet the expectation. Members will need to note that meeting minutes and associated administration will probably not be available until the following week because of the need to support Panel day”.

Referring to the amount of Committee Members attending via T-con today, SH stressed that this is typical if future meetings are held on Tuesdays going forward, adding that it is not acceptable to have so many on the phone. Others concurred.

Most members at the meeting agreed that Wednesday (day before UNC Mod Panel and UNC Committee) is a better option, but members do not understand why the publishing of the minutes may not be done within the normal 5 days. An additional 1 day was felt by members to be more than adequate.

Discussion was held with regards to the iGT-UNC Panel meeting clashing with this meeting if it is held on the Wednesday before UNC Panel meeting. Kishan Nundloll is an iGT-UNC panel member. As a member of this DSC Contract Management Committee, he also currently holds 2 votes for the iGTs; this has a potential impact on quoracy (see item 1.1). With the timings and locations of the two meetings, it is not possible for him to attend all of both meetings. KN will investigate whether there is any way around this. Andrew Margan (alternate for Graham Wood on this Committee) is an iGT-UNC panel member also.

Action 0408: KN to ask if iGT Panel t-con can be held earlier to avoid a clash.

Post meeting update: Kishan Nundloll (KN) advised that after discussion at the iGT-UNC Panel, the timings of its meetings cannot be changed. Thus, this action is now closed. **Closed.**

RCH asked if there is scope to hold Change and Contract Committee meetings consecutively; there was not much support for this approach, especially since DSC Change will occasionally utilise a second day when its agenda is especially significant; this is the case in May. (Each month the agenda for the next month will be reviewed and a decision taken as to whether the second day is needed.)

The Committee members requested the DSC Contract Committee meetings to continue on Wednesdays, the day before UNC Panel, and that the Joint Office support this.

SM requested that the Joint Office Calendars are updated to provide certainty for at least the next 6 months and that provisional dates are removed to make it clear to everybody.

Next meeting will be on Wednesday 17th May at 10:30am. **Carried Forward**

0302: Date proposal to be communicated to both Committee members.

Update: Next DSC Contract meeting will be on Wednesday 17th May at 10:30.

Next DSC Change Committee will be on Wednesday 10th May at 10.15am (note different start times) and Thursday 11th May 10.15am due to extensive agenda. **Closed**

0303: CB to provide matrix detailing all date options.

Update: Received from CB with thanks. **Closed**

Post meeting update: This is ready for publication and is available to aid discussion.

0304: Setup T-con for Credit meeting

Update: DSC Credit Committee was set up as a sub-committee of the DSC Contract Management Committee by email and all informal members of that committee were made members. This was confirmed by email on 4 April 2017; many thanks to all involved. **Closed**

10 Next Steps

Not covered.

11 Any Other Business

Business Plan (BP) Lessons Learnt

DT took the group through the BP17 Lessons Learnt slide pack provided for the meeting, covering Introduction and Approach for BP17; Questionnaire Results; External Comments received and the Planned Approach for BP18.

During the discussion around the Questionnaire Results, SH advised that it is important to note that this was communicated in a session in February and comments were submitted at that point, DT clarified that feedback and comments were gratefully received at multiple points.

12 Diary Planning

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

Meetings will take place as follows:

Time / Date	Venue	Programme
10:30, Wednesday 17 May 2017	Lansdowne Gate, 65 New Road, Solihull B91 3DL	TBC
10:30, Wednesday 14 June 2017	Lansdowne Gate, 65 New Road, Solihull B91 3DL	TBC

Action Table (as at 18 April 2017)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
15/03/17-01	15/03/17		DSC Service Description Table To send AM the details of the 2 amendments to be made to Licence ref SA1602 and SA1604	JF	Closed
15/03/17-02	15/03/17		DSC Service Description Table To make changes with effect	AM	Closed

			from 01/04/2017 and publish in the Contract Managers area of Joint Office website.		
15/03/17-03	15/03/17		Annual Pricing Statements To check if there is an ability to hold different rates for each Network. Are there triggers to check the prices now and can we add an annual checkpoint to the process.	DT	Closed
15/03/17-04	15/03/17		Financial Performance DSC customers have to agree to receive more than one invoice a month. If this doesn't suit your organisation please email the network support.box	Industry	Closed
15/03/17-05	15/03/17		Data Protection Questionnaire To check if the scope had been extended following Xoserve's last audit.	EM	Carried Forward
15/03/17-06	15/03/17		Data Protection Questionnaire Dates & requirements for workshop to be discussed agreed and fed back to Xoserve.	All	Carried Forward
15/03/17-07	15/03/17		Industry Governance Arrangements To confirm when this will be presented at PNSG and feedback the groups concerns.	DT	Closed
15/02/17-01	15/02/17		I&C Phone Lines & Domestic M No. Helpline A review of the current Terms of Use regarding extending the use of the Data Enquiry Service accounts to parties outside of the contracting Organisation.	Xoserve	Carried Forward
15/02/17-03	15/02/17		I&C Phone Lines & Domestic M No. Helpline DT is to look into devising a note to go out to all Shippers from Xoserve's Communications team regarding the suspicions discussed. Slides are to be sent out with the Minutes.	DT	C/F – Update 15/03 Xoserve to draft a communication by next week and share with SM to review by April. Carried Forward

15/02/17-04	15/02/17		Feedback on Xoserve Services DSC A summary of changes to the table of services are to be provided with track changes as well as a one pager recommendation of why changes have been made.	DT/A. Miller	C/F – Update 15/03 AM to make agreed amendments with effect from 01/04/2017 and publish on joint office website. Carried Forward
15/02/17-05	15/02/17		AOB FGO Go-live DT to circulate the internal engagement plan ahead of the next meeting in order to discuss at the next meeting.	DT	C/F Update 15/03 – DT to send out after this meeting. Closed
18/01/17-03	18/01/17		Xoserve Performance Report BV and JF are to provide DT with the key change updates that they want to see on a dashboard.	BV/JF	C/F - Update 15/03 – Continue to work on draft, BV and JF to provide comments. C/F Update 15/02 – will continue to develop for April Carried Forward
14/12/16-01	14/12/16		Access to information for Price Comparison Websites and Third Party Intermediaries DT to find out from our data protection lawyers on the order from the CMA and the letter by ICO to see whether there are any data protection issues by giving DES access to PCW.	DT	C/F – Update - 15/03 MS to check schedule 22 has been updated with the community view items. C/F - Update 18/01 – DT is to send list of Community View Items Closed
0301	21/03/17	3.0	Joint Office to provide a formal response to explain why Committee meetings cannot be resourced the day before UNC	Chair (RH)	Carried Forward Action 0408: KN to ask if

			Panel meetings.		iGT Panel t-con can be held earlier to avoid a clash.
0302	21/03/17	3.0	Date proposal to be communicated to both Committee members.	Chair (RH)	Closed Next Contract meeting will be on Wednesday 17 th May at 10:30. Next Change Committee Wed 10 th and 11 th May due to extensive agenda
0303	21/03/17	3.0	CB to provide matrix detailing all date options.	Shipper Member (CB)	Closed
0304	21/03/17		Setup T-con for Credit meeting	Chair (RH)	Closed
0401	18/04/17	1.4	DT to update the Quality Statement and circulate to the group to review allowing 5 days for the review before publication on the Xoserve website.	DT	Pending
0402	18/04/17	1.5	Draft a document for use as TOR including reference to General Terms D section 4.1.5 and including a note that both the DSC Change and Contract Committees are Sub Committees of Network Code.	DT	Pending
0403	18/04/17	1.6	To confirm correct distribution list with DT and share with committee members.	RH	Pending
0404	18/04/17	3.0	To seek confirmation of which Committees require updates.	DT	Pending
0405	18/04/17	6.0	To provide draft March KPIs under the current format at the next meeting	MS	Pending

0406	18/04/17	6.0	To provide draft April KPIs using the new dashboard format at the next meeting, where possible.	MS	Pending
0407	18/04/17	7.0	To confirm the generation of invoices.	DT	Pending
0408	18/04/17	Action 0301	To ask if iGT Panel t-con can be held earlier to avoid a clash.	KN	Closed