

User Pays User Committee Minutes
Monday 13 September 2010
(via teleconference)

Attendees

| | | |
|-------------------|----|------------------------|
| Tim Davis (Chair) | TD | Joint Office |
| Chris Davies | CD | Total Gas & Power |
| Dan Simons | DS | EDF Energy |
| Danielle King | DK | E.ON UK |
| David McCrone | DM | Scottish Power |
| George Donoghue | GH | GDF Suez |
| Graham Frankland | GF | xoserve |
| Graham Wood | GW | British Gas |
| Joel Martin | JM | Scotia Gas Networks |
| Mark Cockayne | MC | xoserve |
| Richard street | RS | Corona Energy |
| Robert Finch | RF | RWE Npower |
| Sandra Dworkin | SD | xoserve |
| Simon Trivella | ST | Wales & West Utilities |
| Sven Graehlert | SG | Wingas |

1.0 Introduction

TD welcomed attendees to the meeting, which was quorate.

1.1. Minutes of last meeting (16 February 2010)

These were accepted by those present.

1.2. Actions

There were no outstanding actions from the previous meeting.

2.0 October 2010 Price Changes (ACS)

MC outlined the changes to charges which are due to be implemented on 1 October. The IAD change is largely driven by the number of IAD accounts and an under-recovery in the present year, although the unit price will nonetheless be lower than the average in the present year.

2.1 DM Elective

MC confirmed the Agency Charging Statement (ACS) with DM Elective changes included has been published, and will be effective from 21 November. GD asked why the proposed charges are higher than previously envisaged. GF said this reflected what had been learnt in the 18 months since an initial estimate was produced, and represented a small increase.

2.2 IAD Replacement Project Update

GF introduced the planned changes, and emphasised that xoserve would welcome customer feedback. DK asked who had been asked about the service to date. GF explained that UPUC had been consulted at previous meetings, and xoserve had also worked with SPAA and a SPAA requirements gathering

exercise had informed developments. MC added that operational staff had also kept a log of requests from customers who had contacted them.

GF was asked if a button could be provided such that the data could be immediately exported to Excel, and GF agreed to look into whether this could be provided.

Action UPUC09/01: GF to establish if the IAD replacement could include a button that would automatically export data to Excel.

GF sought views on how customers would prefer to be kept up to date on the IAD replacement.

RF requested a road map to show the high-level implementation timetable/milestones, and also for clarification on interoperability. GF confirmed the replacement would be a web based product and the key was ensuring that companies IS requirements did not prevent access to the relevant address – which is the same as the present IAD approach. GF also confirmed that the system would be IE6 compatible. GF explained that the expectation was implementation in late Spring/early Summer 2011, although this would need to be confirmed. A timeline showing delivery dates and key milestones would be provided when sufficiently clear, which would hopefully be by the end of October.

RS questioned the cost of the replacement project, but GF said this was an issue for xoserve and the Transporters since they would be funding the costs, and these had been considered as part of the last price control process. RS responded that customers will pay in the end, and that understanding the costs was therefore a legitimate question. There were also concerns about aspects of the design on which there had been no formal consultation and which could impose costs on companies – such as having to maintain a specific browser. The value of the solution also needed to be considered against the expected lifespan of the project, which may be overtaken by Nexus and Smart Metering developments, bearing in mind the demand for real time access to data.

GF offered to investigate whether the new system would be compatible with IE8, and asserted that it would provide a cheaper service that sought to meet customer's expressed requirements. While the landscape may be changed through industry developments, there are expected to be benefits from updating IAD now. However, while the formal requirements phase was now closed the system was intended to be scalable and flexible and efforts would be made to accommodate requests if and when raised. However, RS and GD repeated that there had not been any significant consultation on whether the change was justified and what the requirements are (particularly with non-SPAA parties), and felt that the costs should be made explicit since they would be recovered on a User Pays basis.

JM clarified that no development cost will be built in to User Pays charges when the new system is implemented, and the charge would be for ongoing operational costs only.

ACTION UPUC09/02: GF to confirm whether the IAD replacement will be compatible with IE8.

ACTION UPUC09/03: GF to ask the Transporters whether further information on the costs of IAD replacement can be made available.

It was agreed that xoserve should establish a separate group to keep customers involved in the development of the IAD replacement, and that the initial meetings should go through the requirements in detail.

2.3 xoserve Service Desk 2011

MC provided an update and noted that Shippers should be aware that there would be some process changes, including a move to a single xoserve logon.

3.0 Change Management

3.1 UPCO003 – IAD Transactional Charging

All associated documentation is available to view on the xoserve website at: http://www.xoserve.com/UPS_Changes.asp#1.

MC reported that British Gas had raised this change order for implementation with the IAD Replacement.

RS asked if, as part of the development of this change order, xoserve could clarify the key cost drivers once the new system is implemented since this would indicate whether the change was or was not likely to be cost reflective. GW added that the approach should help to iron out fluctuations in prices since the incentive to close accounts would be reduced.

GD questioned how a hit would be defined, and it was agreed this was a question that should be looked at as part of the assessment process.

All agreed that that the voting phase should now commence. SD advised that an email would be issued to all Contract Managers and that the voting period was expected to formally commence on 14 September 2010.

4.0 Modification Proposals identified as potential User Pays

The following Live UNC Modification Proposals were identified by MC as being User Pays: Proposals 0231, 0270, 0274, 0277, 0279, 0282, 0292 and 0293.

TD pointed out that an appropriate change to the ACS would be required if any of the Modification Proposals were to be implemented.

5.0 Operational Updates

5.1 Performance

The performance update was accepted. Issues were raised as to whether the continued achievement of targets suggested that targets might be set too low and benefit from tightening.

6.0 Any Other Business

None raised.

7.0 Next Meeting

It was agreed that the committee should continue to meet on a bi-monthly basis by teleconference. GW requested that additional meetings be arranged if necessary to keep the latest change order on track, and this was accepted. The next scheduled meeting is due to be held via teleconference at 10:30 on 8 November, but MC suggested this may be rearranged to ensure the operational updates would be available.

Action Table: User Pays User Group/Committee – 13 September 2010

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|------------|--------------|------------|--|--------------|---------------|
| UPUG09/01 | 13/09/10 | 2.2 | Establish if the IAD replacement could include a button that would automatically export data to Excel | xoserve (GF) | |
| UPUG09/02 | 13/09/10 | 2.2 | Confirm whether the IAD replacement will be compatible with IE8 | xoserve (GF) | |
| UPUG09/03 | 13/09/10 | 2.2 | Ask the Transporters whether further information on the costs of IAD replacement can be made available | xoserve (GF) | |