

User Pays User Committee Minutes Tuesday 12 November 2013 via teleconference

Attendees

| | | |
|--------------------------|------|-------------------|
| Tim Davis (Chair) | (TD) | Joint Office |
| Lorna Dupont (Secretary) | (LD) | Joint Office |
| Andy Miller | (AM) | Xoserve |
| Anne Jackson | (AJ) | SSE |
| Colette Baldwin | (CB) | E.ON |
| Darren Jackson | (DJ) | Xoserve |
| Graham Wood | (GW) | British Gas |
| James Field | (JF) | EDF Energy |
| Jonathan Kiddle | (JK) | EDF Energy |
| Katie Ballard | (KB) | Total Gas & Power |
| Les Jenkins | (LJ) | Joint Office |
| Lorna Lewin | (LL) | DONG |
| Lorna Mallon | (LM) | ScottishPower |
| Paul Orsler | (PO) | Xoserve |
| Steve Nunnington | (SN) | Xoserve |

Meeting documentation can be found at www.gasgovernance.co.uk/up/2013

1.0 Introduction

TD welcomed participants. The meeting was declared quorate.

1.1 Minutes of previous meeting

The minutes from the meeting (01 July 2013) were accepted.

1.2 Actions

UP0701: User Access Report - Consider inclusion of full names of users, clarify any associated report production cost differentials, and if a formal Change Request is required.

Update: AM indicated that this was no longer required by the requestor. **Closed**

2.0 Change Management

AM outlined the change management process and the voting arrangements that apply to Non-Code User Pays Services.

Two new Services had been proposed by Xoserve. It was suggested that the Change Order titles be differentiated more clearly, perhaps by referencing back to the associated UNC Modification numbers.

2.1 Change Order 008: iGT Customer Data Provision Service (to facilitate the Smart metering programme)

AM outlined the background, the change requirements and the proposed funding arrangements. To fund the service the Non-Code User Pays contract will be

utilised, the service being the “iGT Customer Data Provision Service”. It is anticipated that this will endure until such time as the iGT Single Service Provision is implemented, ie 01 October 2015, but it was recognised that the duration of the service may extend, depending on the impact of various factors.

AM explained the cost estimate (the ACS charging basis is the percentage of supply points across all iGT Networks), and illustrated the communication/data flows.

Questions were raised regarding potential impacts on the implementation date and the anticipated 2 year cost period. AM explained that if the date slipped then the cost period would be extended to match. CB observed that Modification 0440 did not exist in isolation and would also be affected by iGT Modification 0439 and associated Licence changes. This carried potential risk implications that might affect this Change Order and it was not altogether clear what is being accepted. AM explained that it could be limited to a 3 year service, ie to 30 September 2016 in the event that Single Service provision does not go live at all. The Schedule can be adjusted to reflect this. TD commented that the Change Order did not appear to have an end date; AM responded that this was in the Services Schedule and the ACS – these would be affected. TD queried if there was a potential problem, ie an opportunity for future challenge, if Xoserve was including additions that were not already in the original Change Order Request. AM noted this point and will make the Change Order Request more explicit.

2.2 Change Order 007: iGT Customer Data Preparation Service (to facilitate the iGT Single Service Provision arrangements)

AM outlined the background, the change requirements. Attention was drawn to the essential mapping arrangements, which do not currently exist and need to be developed.

The funding arrangements and the cost estimate were described. Xoserve will provide progress reports on delivery and forecasts against budget. GW expressed concern that sign off was expected to be made against a range. AM acknowledged there was an element of risk associated with this and reiterated the position.

Concerns were expressed in relation to Non-Signatories and what would happen if one or more did not give an order to sign up for the service. How would such parties be compelled to sign and give Xoserve an order to proceed with this service; the acceptance by the few participants on this call at this meeting was not sufficient. AM explained that the change will apply to all relevant parties who do/will ship to an iGT network. It becomes binding as part of contract arrangements. Two parties have yet to sign; Xoserve expects (and has no reason to doubt) that these customers will place orders and the work will proceed on that basis. AM confirmed that Shippers will not pick up additional costs from this perceived risk. In the event that a party does not submit a service request, the consequential extra cost will not be apportioned to those who have signed (AM referred to cover under Licence Condition A15); any non-payment will be a matter for Xoserve and the party concerned.

AJ expressed concern about the consequences if the iGTs did not engage. AM indicated this would then be raised with Ofgem, but that was not the expectation given discussions/evidence so far. AJ then raised concern that if the iGTs do not give their immediate support or co-operation then additional costs might be

incurred – how would that be addressed? AM did not know. AJ suggested that these might well be placed on Shippers, ie be cost reflective. This risk and its likelihood would have to be considered internally by Shippers. AM will keep parties informed of progress and should any potential issues arise these will be highlighted as early as possible.

Returning to the presentation, a timeline was displayed. AM confirmed that data preparation was essentially happening in 2015. Asked if there was any chance this might be brought forward, AM said that it depended on the User Pays Change – if this is in then the order can be placed earlier, and so this could start earlier. Some data will already have been prepared for system testing, but Xoserve will bring this forward if it is possible to do so. The completion of the high level design will give more idea if October 2015 is still feasible.

It was suggested there was merit in asking the iGTs to collect what was required at an earlier stage, rather than populate with default values. AM responded that the iGTs may be reluctant to do this for a number of reasons, and Xoserve was not yet in a position to instruct them.

Normal interfaces with iGTs will continue as usual, and a secondary dataflow will go into Xoserve to facilitate.

AJ asked about the payment arrangements. AM indicated there would be a charge for the first service, then after 01 October 2015 there would be two services so two charges were envisaged.

2.3 General Comments

AM reiterated points made in an email and all had been covered in the discussions at 2.1 and 2.2 above. It was accepted that there would be some 'unknowns' at this time.

AM asked if Shippers had given consideration to what would happen if Xoserve fails to deliver services to time or of acceptable quality - this may not be known until after 'go live', at which point industry awareness may be too late perhaps. The Service Schedule will return monies to the parties, but that may not be the best answer, and perhaps Shippers should give some thought to this scenario.

CB referred to reconciliation and Modification 0431, a level of confidence could be gained through testing? AM still believed that the potential consequences should be seriously considered, as positions could potentially change radically by 2015. The Service Schedule is not perfect but is there to facilitate other deliveries.

Change Process

TD drew attention again to the formal change process and its sequential arrangements for providing opportunities for acceptance/non-acceptance at various checkpoints. The value/consequences of omitting certain steps was briefly discussed. AM revisited the timescales and confirmed that there should be enough time (without a risk to delivery) to follow the formal process without seeking to omit certain steps.

It was agreed that the usual formal process should be followed for these Change Orders, thus avoiding creating openings for potential challenge at a future date.

Next Steps

AM summarised the key points he had drawn from today’s discussions, which included applying limits to the services and liabilities, and amendments to the Change Orders and EQRs. Work on the BER had started, and Xoserve would like to see everything in place by March 2014. The Change Orders will be republished and the voting process will be initiated.

3.0 Any Other Business

3.1 Modification 0467 – Project Nexus – iGT Single Service Provision; data preparation

CB asked about progress. TD reported that progress was awaiting the provision of legal drafting for the Workgroup to review. Once the proposed changes to Annex A of the LDZ CSEP NExA have been received from National Grid Distribution, it can be progressed by the Workgroup.

3.2 Performance

Noting that no update had been provided in advance of this meeting, TD asked if all were satisfied with current performance. No adverse comments were received.

DJ pointed out that all performance statistics were now published on the Xoserve website. It was suggested that Xoserve consider issuing a communication to Contract Managers to make aware when the regular updates were published.

4.0 Schedule of Dates for Future Meetings

4.1 User Pays User Committee (UPUC)

A meeting programme for 2014 will be devised according to business requirements and details will be notified when known.

4.2 User Pays Contract Expert Group (UPCEG)

There is an annual requirement for UPCEG to meet; the last meeting was held on 05 November 2012, and the next meeting will be arranged as appropriate during 2013.

Action Table

| Action Ref | Meeting Date(s) | Minute Ref | Action | Owner | Status Update |
|-------------------|------------------------|-------------------|---|--------------|----------------------|
| UP0701 | 01/07/13 | 5.1 | <i>User Access Report</i> - Consider inclusion of full names of users, clarify any associated report production cost differentials, and if a formal Change Request is required. | Xoserve (DJ) | Closed |