

User Pays User Group Minutes
Monday 02 June 2008
31 Homer Road, Solihull

Attendees

Tim Davis (Chair)	TD	Joint Office
Helen Cuin (Secretary)	HC	Joint Office
Adam Frak	AF	SSE
Alex Thomason	AT	National Grid Transmission
Andy Miller	AM	xoserve
Colette Baldwin	CB	E.ON UK
Danielle King	DK	E.ON UK
Dave Ackers	DA	xoserve
Graham Frankland	GF	xoserve
Helen Barratt	HB	xoserve
Joel Martin	JM	Scotia Gas Networks
Kevin Woollard	KW	British Gas
Laura Doherty	LD	RWE npower
Lorna Gibb	LG	Scottish Power
Nicola Rigby	NR	National Grid Transmission
Richard Street	RS	Corona Energy
Rob Cameron-Higgs	RCH	Northern Gas Networks
Rosie McGlynn	RM	EDF Energy
Shelley Rouse	SR	Statoil
Yasmin Sufi	YS	ENI UK Ltd

1.0 Introduction and Status Review

1.1. Minutes from April Meeting

The minutes of the previous meeting were approved.

1.2. Review of Actions from previous meetings

Action 0001: xoserve to produce organogram mapping out IAD access and the supporting arrangements.

Action Update: AM included the required details within 2.1 below.

Action Complete.

Action Carried Forward.

Action 0002: xoserve to approach the Joint Office and extend an invitation for them to Chair future meetings.

Action Update: Joint Office have agreed to provide administration support for future meetings.

Action Complete.

Action 0003: xoserve to draft Terms of Reference documents and issue for consultation and comment.

Action Update: Draft published. RS subsequently agreed to consider the Terms of Reference in the context of the proposed User Pays User Committee.

Action Closed.

Action 0004: xoserve to invite Ofgem to future meetings.

Action Update: GF confirmed that Ofgem had been invited. It was recognised that holding meetings in London may facilitate Ofgem attending.

Action Complete.

Action 0005: RCH to obtain information regarding the recent Ofgem governance questionnaire (being administered by Brattle) from Jon Dixon, Ofgem.

Action Update: RCH confirmed that Jon Dixon had agreed to endeavour to provide the information required.

Action Carried Forward.

Action 0006: CB and RM to provide summaries of the governance and change processes from existing industry contracts, to include; UNC Modifications, UNC UK Link Committee, iGT UNC modifications, SPAA, DCUSA, MRA, BSC, for discussion at the next meeting.

Action Update: See item 2.2 below.

Action Complete.

Action 0007: AM to circulate Royal Mail model to Group for consideration for discussion at the next meeting.

Action Update: AM confirmed that he had investigated the Royal Mail model but had concluded that it did not fit the user pay arrangements.

Action Complete.

Action 0008: xoserve to revise high level timeline.

Action Update: See item 6.0 below.

Action Complete.

Action 0009: Users to notify Vicky Palmer via email if this additional supporting information is required.

Action Update: xoserve confirmed that some responses have been received. Shippers confirmed that no further information was required.

Action Complete.

Action 0010: Agreed that where appropriate any future changes should be included within the information presented at the User Pays User Group.

Action Update: IAD changes added to agenda and update provided.

Action Complete.

Action 0011: xoserve to clarify communication regarding system outages that may impact User Pays services.

Action Update: Update provided within xoserve presentation.

Action Complete.

Action 0012: xoserve to review options regarding the extension of the service availability performance measure and any financial implication.

Action Update: Update provided within xoserve presentation.

Action Complete.

2.0 Contractual Change

2.1. IAD performance standards proposals

AM provided an xoserve presentation on Contract Changes, providing information on IAD performance. He explained that feedback had been received from users looking for xoserve to provide increased core hours and

data refresh frequency. AM set out proposals to deliver this, emphasising the aim of retaining the present level of charges. xoserve proposed extending core hours and that the performance standards be increased to 97%. The refresh frequency is proposed to be updated to two Business Days. CB welcomed the proposed changes.

AM explained that the probability of failures will become greater with the extension of core hours and higher performance standard, and that xoserve therefore proposed adjusting liabilities in order to be price neutral.

RM asked about the current availability of the system and its performance, AM confirmed that such statistics are not produced. RM believed that this information would be beneficial to aid the decision making process regarding the proposed changes.

Action 0013: xoserve to provide further information on current IAD system availability and measured performance.

RM confirmed that Chris Warner National Grid Distribution had provided a SPAA change proposal to implement these proposals. She pointed out a section that the performance standard percentage had been left in square brackets in the change proposal. She believed that removing these and amending the percentage would be a material change such that the proposal could not proceed immediately. She suggested it would be preferable for the change proposal to be delayed until July, giving SPAA parties an opportunity to consider the proposed percentage – this would in fact enhance the timetable rather than extend it if, as expected, the SPAA Board concluded the amendment was material.

Action 0014: xoserve to discuss the schedule 23 Change Proposal with National Grid and suggest redrafting, with the appropriate percentage, in time for the July SPAA change board.

HB confirmed that none of the xoserve proposed changes would be implemented until the supporting contractual changes have been made.

2.2. Proposal for Contract Change Governance

RM presented a discussion paper on how to progress the change process. She indicated that, while she had taken an action on how the change process works for other contracts, she did not believe it would be useful to go through these since they were fundamentally different – being multilateral contracts whereas the User Pays contract is bilateral.

RM suggested two governance groups needed to be formed, one to focus on the legal aspects of the contract terms and another to examine new and amended user pays services. She explained the logic of the two groups opposed to a single group, and believed the contract expert group ought to concentrate on getting the contract into a fit state to enable all parties to sign it. AT asked what percentage of parties have not signed the contract. HB confirmed that 10 out of 22 parties have signed the User Pays Contract

A discussion evolved about the mechanics of reviewing the contract and Shippers either representing themselves or a constituency approach being adopted – with the latter preferred. There was also general support for two groups being created and it was envisaged that the contract expert group should aim to agree a single generic contract, taking account of the feedback received. Key issues were likely to be the change process, termination notices, liabilities, and reference to reasonable endeavours.

AM asked if the change provision condition, 3.1, should be developed by the contract expert group. It was agreed that the contract should contain high

level principles with the second group developing detailed business rules to implement this framework.

RM felt Ofgem should be present at all meetings, bearing in mind the requirement for cost reflectivity and Ofgem approval of ACS changes, and envisaged Ofgem having an overseeing role to ensure delivery.

Action 0015: HB to communicate with Ofgem the preference for Ofgem to attend future User Pay related meetings.

RS questioned if the contract group could consider an arbitration mechanism to enable parties to challenge any changes. He also suggested including a standard clause that the contract will not be amended in any way that would put any party in breach of licence obligations.

The voting mechanism was discussed for the User Pays User Committee and how Shippers may request a change that only some Shippers support, with costs shared among those parties wanting the service. It was required that individual services for one Shipper only would be outside the remit of this group.

RM believed that there needs to be categories of change with different voting rights and voting success criteria, including taking account of users other than Shippers.

It was discussed whether the first Contract Expert Group could consist of all parties and potential signatories, with agreement by consensus. It was agreed that parties signed onto the contract should be able to utilise the existing dispute mechanism and that the major issues raised should be addressed first. It was agreed that a two day workshop should be organised to focus on these issues and the required changes, followed by fortnightly meetings to complete a full review of the contract. It was agreed that this would be supported by the Joint Office.

AM confirmed that xoserve have a refinement register based on the feedback received. He would welcome further comments/feedback by Friday 13 June in readiness for the two day workshop, which will be held on the 24 and 25 June at a London venue to be confirmed.

Action 0016: All to provide any further comments/feedback on the User Pays contract to andy.j.miller@xoserve.com by Friday 13 June.

A discussion evolved about the Constituency Committee for the User Pays Committee made of up of Shippers, Major Energy Users and other potential signatories, including Transporters. It was suggested that, as IAD users, the Transporters should sign onto the contract in the same way as all other customers. It was agreed that, if this happened, a specific right of veto for the Transporters would not be required.

Action 0017: xoserve to discuss with the Transporters the possibility of signing onto the standard contract.

Action 0018: RS to coordinate the drafting of straw man terms of reference for the User Pays User Committee.

AT highlighted a third option that had not been included within RM's discussion paper under "Services Identified by xoserve or User Pays Users", and that is to go direct to xoserve. RM agreed that this was an oversight with no intention to rule out this possibility.

2.3. Next Steps

RM suggested that there should be one further meeting for the User Pays User Group to finalise the proposals for the User Pays User Committee and

the administration of the group. It was agreed to meet on 07 July 2008, preferably at a London venue.

3.0 Terms of Reference

3.1. Feedback on draft ToR

AM confirmed that some comments had been received on the Terms of Reference. It was agreed that RS would use this as an input to his User Pays User Committee straw man (see Action 0018).

3.2. Next Steps

See item 2.3 above.

4.0 Update from xoserve

4.1. Operational update

DA provided an operational update for April's IAD requests, Telephone enquiries, DVD requests, Email requests, AQ spec calculations and Portfolio reports. Further information was provided on the Telephone service and the IAD service availability during May.

DA also provided a breakdown of the user groups using IAD.

AM explained the process for rejecting requests for IAD accounts.

4.2. IAD Update

DA provided an update on potential IAD enhancements, including password resets, system performance stability and improved security.

HB explained that in response to user suggestions, xoserve have looked at the options for password resets, the number of questions, the type of questions and she welcomed views.

CB expressed concern about the number of questions and their type as it was personal information. LG expressed a concern about the ability to manage IAD accounts, especially when employees leave organisations. She explained that the account would have to be deleted and a new account activated in the instances of staff changes due to the IAD having extra security questions. DA explained that the ideal is to remove old accounts and create new accounts. CB countered that this is costly as each user ID has to be paid for. DA explained that he has investigated the reset mechanism and the ability to reset the profile to allow the re-use of an ID.

It was agreed that ample security provision was possible through the LSO and as each IAD account is paid for there was enough incentive to remove obsolete accounts. AM highlighted that the ping back would provide timely password provision. RS suggested xoserve might consider IP screening where IP addresses are scanned to ensure users are authentic.

It was agreed that Users did not want to pursue the password reset enhancements.

DA reported that the IAD system performance stability code needs to be deployed, but this would be later than initially scheduled.

DA confirmed that improved IAD security is still being investigated when users remain logged in during a system failure or loss of power at a Shipper site and how users can be restored. RS suggested that a new log in request could automatically log out the previous log in, which had been locked by a system failure, thereby overcoming the problem. Timeouts were also a possible way forward, although the appropriate time was not immediately

apparent. GF confirmed that xoserve have also considered a time-out for inactive sessions.

RM suggested further consideration of the options is required and that xoserve might usefully set them out with an assessment of the implications.

Action 0019: xoserve to further examine the possibility of a time-out for inactive sessions and alternatives to terminate a previous log in when attempting a second log in.

Action 0020: Users to consider the appropriate time-out period and provide a response to Dave.j.ackers@xoserve.com by 16 June 2008.

DA also highlighted the issue of Web-browser sensitivity and requested that all use Internet Explorer.

5.0 Proposed Process for Managing User Pays Systems and Service Enhancements

GF introduced the “Proposed User Pays User group role in change to service provision” table which had been developed to avoid dual governance. It was agreed that the consulted column within the table needed to be removed as the consultation, for example on UNC Modification Proposals, is already undertaken under a different forum.

GF also introduced the “Proposed Process for non-code services”, JM asked if the feasibility study would include a cost analysis and GF confirmed this was the intention.

6.0 High level timeline

HB provided a high level time line which was accepted as being appropriate.

7.0 AOB

None

8.0 Diary Planning for User Group

It was agreed to meet monthly, every 2nd Monday, following the two day workshop on the 24 and 25 June 2008. If business was light, monthly meetings could be conducted by teleconference.

Monday 14 July 2008, at a London venue to be confirmed.

Monday 11 August 2008, at a London venue to be confirmed.

Action Table

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UPUG 0001	30/04/08	2.1.1	xoserve to produce organogram mapping out IAD access and the supporting arrangements	xoserve	Complete
UPUG 0002	30/04/08	2.1.2	xoserve to approach the Joint Office and extend an invitation for them to Chair future meetings	xoserve	Complete
UPUG 0003	30/04/08	2.1.7	xoserve to draft Terms of Reference documents and issue for consultation and comment	xoserve	Complete
UPUG 0004	30/04/08	2.1.7	xoserve to invite Ofgem to future meetings	xoserve	Complete
UPUG 0005	30/04/08	2.2	RCH to obtain information regarding the recent Ofgem governance questionnaire (being administered by Brattle) from Jon Dixon, Ofgem	NGN (RCH) and Ofgem (Dixon)	Carried Forward
UPUG 0006	30/04/08	2.2	CB and RM to provide summaries of the governance and change processes from existing industry contracts, to include; UNC Modifications, UNC UK Link Committee, iGT UNC modifications, SPAA, DCUSA, MRA, BSC, for discussion at the next meeting	E.ON (CB) and EDF Energy (RM)	Complete
UPUG 0007	30/04/08	2.2	AM to circulate Royal Mail model to Group for consideration for discussion at the next meeting	xoserve (AM)	Complete
UPUG 0008	30/04/08	2.3	xoserve to revise high level timeline	xoserve	Complete
UPUG 0009	30/04/08	3.2	Users to notify Vicky Palmer via email if this additional supporting information is required	All	Complete
UPUG 0010	30/04/08	4.1	Agreed that where appropriate any future changes should be included within the information presented at the User Pays User Group	xoserve	Complete
UPUG 0011	30/04/08	4.1	xoserve to clarify communication regarding system outages that may impact User Pays services	xoserve	Complete

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
UPUG 0012	30/04/08	5.1	xoserve to review options regarding the extension of the service availability performance measure and any financial implication	xoserve	Complete
UPUG 0013	02/06/08	2.1	xoserve to provide further information on current IAD system availability and measured performance	xoserve (AM)	Pending
UPUG 0014	02/06/08	2.1	xoserve to discuss the schedule 23 Change Proposal with National Grid and suggest redrafting, with the appropriate percentage, in time for the July SPAA change board	xoserve (GF)	Pending
UPUG 0015	02/06/08	2.2	HB to communicate with Ofgem the preference for Ofgem to attend future User Pay related meetings	xoserve (HB)	Pending
UPUG 0016	02/06/08	2.2	All to provide any further comments/feedback on the User Pays contract to andy.j.miller@xoserve.com by Friday 13 June	All	Pending
UPUG 0017	02/06/08	2.2	xoserve to discuss with the Transporters the possibility of signing onto the standard contract	xoserve (GF)	Pending
UPUG 0018	02/06/08	2.2	RS to coordinate the drafting of straw man terms of reference for the User Pays User Committee	Corona Energy (RS)	Pending
UPUG 0019	02/06/08	4.1	xoserve to further examine the possibility of a time-out for inactive sessions and alternatives to terminate a previous log in when attempting a second log in	xoserve (DA)	Pending
UPUG 0020	02/06/08	4.1	Users to consider the appropriate time-out period and provide a response to Dave.j.ackers@xoserve.com by 16 June 2008	All	Pending