

UNC DSC Contract Management Committee Minutes
Wednesday 15 December 2021
via Teleconference

Attendees			
Bob Fletcher (Chair)	(BF)	Joint Office	Non-Voting
Helen Cuin (Secretary)	(HCu)	Joint Office	Non-Voting
Shipper User Representatives (Voting)			
Oorlagh Chapman	(OC)	Centrica	Class A Voting + Class C
Clare Louise Roberts (Alternate for Phillipa Burton)	(CLR)	Scottish Power	Class A Voting
Steve Mulinganie	(SM)	Gazprom Energy	Class B Voting + Class C
Transporter Representatives (Voting)			
Helen Chandler	(HC)	Northern Gas Networks	DNO Voting
Sally Hardman	(SHa)	SGN	DNO Voting
Andrea Godden	(AG)	National Grid	NTS Voting
Richard Loukes	(RL)	National Grid	NTS Voting
Kundai Matiringe (plus alternate for Brandon Rodrigues)	(KM)	IGT Representative	IGT Voting
CDSP Contract Management Representatives (Non-Voting)			
Jayne McGlone	(JMc)	Xoserve	
Dave Addison	(DA)	Xoserve	
Observers/Presenters (Non-Voting)			
Angela Clarke	(AC)	Xoserve	
Clare Manning	(CM)	E.ON	
Dave Turpin	(DT)	Xoserve	
David Newman	(DN)	Correla	
Ellie Rogers	(ER)	Xoserve	
Guv Dosanjh	(GD)	Cadent	
Emma Lyndon	(EL)	Correla	
Joanne Williams	(JW)	Xoserve	
Linda Whitcroft	(LW)	Correla	
Kate Lancaster	(KL)	Xoserve	
Michael Orsler	(MO)	Correla	
Neil Laird	(NL)	Correla	
Sharon Bright	(SB)	Xoserve	
Simon Harris	(SH)	Xoserve	
Victoria Mustard	(VM)	Xoserve	
Copies of all papers are available at: https://www.gasgovernance.co.uk/dsc-contract/151221			

1. Introduction

Bob Fletcher (BF) welcomed all to the meeting, confirming the meeting to be quorate.

1.1. Apologies for absence

Phillipa Burton
 Brandon Rodrigues
 Rebecca Greer (no alternate appointed)

1.2. Alternates

Kundai Matiringe for Brandon Rodrigues for IGT Representative
 Claire Louise Roberts for Phillipa Burton Shipper Representative

1.3. Confirm Voting rights

BF confirmed the voting rights as detailed below:

Representative	Classification	Vote Count
Shipper		
Oorlagh Chapman	Shipper Class A + Class C	2 votes
Claire Louise Roberts (Alternate for Phillipa Burton)	Shipper Class A	1 vote
Steve Mulinganie	Shipper Class B + Class C	2 votes
Transporter		
Helen Chandler	DNO	1 vote
Sally Hardman	DNO	1 vote
Andrea Godden	NTS	1 vote
Richard Loukes	NTS	1 vote
Kundai Matiringe (Alternate for Brandon Rodrigues)	IGT	2 votes

1.4. Approval of Minutes (17 November 2021)

The minutes from previous meeting were approved.

1.5. Approval of Late Papers

Three papers had been provided after the publication deadline of 07 December 2021. These had been pre-advised.

1.6. Review of Outstanding Actions

No outstanding actions.

2. Approvals

2.1. CMS Options

David Turpin (DT) provided a high-level overview of the option approvals sought at the meeting, to explain what is being delivered, the funding route, what needs to go into the business plan for forecasted spending, and the scope of the work.

Joanne Williams (JW) provided a summary of the two Options, for the Contract Management System (CMS) which needs to be replaced, explaining extensive work has been undertaken to analyse the requirements and to identify a solution. Two funding options have been identified. Under both options there will be similar architecture to the deliver the requirements, although the delivery approach would be different.

JW provided further information on Option 1 a Platform Software as a Service (SaaS) which was the recommended option from Xoserve. For a detailed explanation of the options and the options analysis please refer to the published slides on the meeting page.

Claire Louise Roberts (CLR) enquired about the change process and what would be classified as a small enhancement. JW explained a small enhancement should be changes to screen/layout/User experience or tweaks to an existing process. There are 100 days included annually in the subscription charge to cater for small change. The Committee further considered the charges associated with future changes and how these are costed.

DT provided a financial comparison on the build activities and the subscription model. Oorlagh Chapman (OC) asked Xoserve to add the commentary provided verbally to the presentation and re-publish the slides for visibility.

JW provided information of the potential risks and the key controls.

DT explained the options for financing and the subscription costs over a 5-year period, the funding route and the funding split.

Steve Mulinganie (SM) challenged the funding split, noting that queries raised may benefit all users of the system and analysis should be undertaken to identify an appropriate funding split. SM gave an example whereby a party may raise a query to correct a system fault or data correction and what the appropriate funding should be. Other members expressed the need to better understand who the beneficiaries are. OC concurred a query may be raised to address a problem, which benefits all or a different customer category to the party raising the query. DT suggested a collaborative session would allow this to be analysed further.

Sally Hardman (SH) supported further assessment as the funding may not always be clear cut, noting that the 90:10 split, was established as part of Project Nexus and experiences may be different now.

DT asked for views from the Committee if the investment costs and Manage the Business (MtB) costs should be split on the same basis with a view that the 90:10 Shipper/Transporter allocation needs to be revisited.

The Committee discussed the financing elements, run costs, pass-through, operational costs and interest charges, and how best to illustrate the split. SM suggested splitting out the allocation of costs, to separate out the investment line in Option 1 to provide a better comparison.

OC relayed that she was not in a position to provide a vote without a better understanding of the terms and conditions for the services being proposed in Option 1. OC believed that not enough information had been provided to allow parties to make a decision and that the contract should be open. CLR also wanted to better understand the options and was not looking to provide a vote until clarity could be provided on the terms of service and funding approach. SM suggested Xoserve provide some further context against the Options using a similar approach to a board paper.

Linda Whitcroft (LW) asked parties if they could provide specific questions to Xoserve to allow these to be considered and enable particular concerns to be addressed.

SM asked if the Terms and Conditions could be provided to better understand the risks or least heads of terms, so there is no uncertainty and to satisfy there are no gaps in the contract, to provide parties with sufficient confidence. SM stressed that Xoserve need to provide more confidence to enable parties to vote for Option 1 otherwise the default will be that parties vote for Option 2, particularly when considering how the funding is currently summarised in the presentation.

SM asked if Xoserve were able to provide the costings for an agile service and waterfall approaches, to understand the risk premiums.

New Action 1201: Xoserve (LW/DT) to consider providing the basis 'Head of Terms' or the Terms and Conditions of the CMS service contract for the options.
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New Action 1202: Xoserve (LW/DT) to provide split out the distribution of subscription costs and more narrative around the 16 year forecast.

The Committee agreed to defer voting on the options, as a number of parties were not in a position to make a decision without further information from Xoserve.

The Committee considered the need for an extra-ordinary meeting to ensure there is no delay to the publication of the draft BP22 as it is due for approval during January 2022.

Formal rest break taken for 15 minutes.

2.2. DDR To allow PAFA access to Data via DDP

David Newman (DN) provided a copy of the Data Permission Matrix Conditionality Document and the Disclosure Request Report (DRR). Following on from the successful implementation the Data discovery Platform (DDP), the Performance Assurance Committee have requested that Performance Assurance Framework Administrator (PAFA), the service currently provided by GEMSERV, have access to their own instance of the DDP which will allows them to monitor Shipper Performance using lower level data than received in the existing PARR reports and also using more up to date information to truly understand which Shippers are meeting their UNC obligations and engage with those where required.

David Addison (DA) referring to the conditionality document, clarified that PAFA will only receive EUC data from bands 03-09 when EUC information is requested. It was agreed that the DPM Conditionality would be amended to make this clear.

SM asked what mitigation actions had been put in place to prevent the release of data prior to approval being given. DN explained that additional controls have been put in place in Xoserve and Correla, with additional checks to address data being released to PAFA without prior approval.

Members voted unanimously in favour of PAFA Access to data via DDP as follows:

Voting Outcome:		
Shipper Representatives	Voting Count	For/Against
Oorlagh Chapman	2	For
Claire Louise Roberts (Alternate for Phillipa Burton)	1	For
Steve Mulinganie	2	For
Total	5	For
Transporter Representatives	Voting Count	For/Against
Helen Chandler	1	For
Sally Hardman	1	For
Richard Loukes	1	For
Andrea Godden	1	For
Kundai Matiringe (plus alternate for Brandon Rodrigues)	2	For
Total	6	For

2.3. Short Code Re-allocation Request

Michael Orsler (MO) talked through a request from Morrison Energy Services Limited to use a short code registered for the new entity which was currently registered against Morrison Water Services.

Sally Hardman (SH) believed it was not normal practise to migrate short codes due to a change in a legal entity, as this would provide legacy views of data, which related to a previous company which may have ceased to exist. It was noted the REC may have facilitated a similar change when migrating data from SPAA. However, it was recognised that the company may not have realised the consequences of changing legal entities in terms of UNC and DSC obligations and protections. There was some question if they were entitled to access the legacy data, recognising this was a company restructure not a company name change. MO stated that he would write to REC (with a cc to SM) requesting that they remove MOR as a new entity and use the existing code

The Committee considered the appropriate steps that would need to be undertaken to have legitimate access to the data, and the precedent it may set transferring the short code to a new entity.

Following consideration, the Request for Short Code MOR to be relocated to a new legal entity Morrison Energy Services Limited was not approved. Members unanimously opposed to reallocating the short code as follows, rejecting the request:

Voting Outcome:		
Shipper Representatives	Voting Count	For/Against
Oorlagh Chapman	2	Against
Claire Louise Roberts ((Alternate for Phillipa Burton)	1	Against
Steve Mulinganie	2	Against
Total	5	Against
Transporter Representatives	Voting Count	For/Against
Helen Chandler	1	Against
Sally Hardman	1	Against
Richard Loukes	1	Against
Andrea Godden	1	Against
Kundai Matiringe (plus alternate for Brandon Rodrigues)	2	Against
Total	6	Against

2.4. XRN5452 Change to SDT Table v20

Angela Clarke (AC) provided the background for XRN5452 Amendments to v20 of the Service Description Table. This change sought approval for the inclusion of a new service line to the DSC Service Description Table and to propose an amendment to an existing service line. These were to include a temporary measure to access pre-COVID AQs held within UK Link and an increased budget for PAC reporting

Members voted unanimously in favour as follows.

Voting Outcome:		
Shipper Representatives	Voting Count	For/Against
Oorlagh Chapman	2	For
Claire Louise Roberts (Alternate for Phillipa Burton)	1	For
Steve Mulinganie	2	For
Total	5	For
Transporter Representatives	Voting Count	For/Against

Helen Chandler	1	For
Sally Hardman	1	For
Richard Loukes	1	For
Andrea Godden	1	For
Kundai Matiringe (plus alternate for Brandon Rodrigues)	2	For
Total	6	For

2.5. XRN5379 Procurement of Class 1 Read Service

Ellie Rogers (ER) provided the background for XRN5379 Class 1 Read Service Procurement Exercise (Modification 0710) to appoint the new Service Provider for the read services. For the full update please refer to the published slides on the meeting page.

ER explained the preferred approach for appointing members to establish a Stakeholder Evaluation Panel (SEP) which was for the Future Class 1 Read Service Subgroup members to form part of the SEP. It was noted this was the preferred approach, but Subgroup members would only form part of the SEP if they agreed. Where a Subgroup member does not want to be a SEP representative, it was confirmed that Xoserve would seek to find another representative (if possible) and notify the Contract Management Committee (CoMC). It was confirmed that the next step was for the CoMC to approve the formation of the SEP to progress with the Procurement Exercise.

Members voted unanimously in favour of the proposal as follows.

Voting Outcome:		
Shipper Representatives	Voting Count	For/Against
Oorlagh Chapman	2	For
Claire Louise Roberts (Alternate for Phillipa Burton)	1	For
Steve Mulinganie	2	For
Total	5	For
Transporter Representatives	Voting Count	For/Against
Helen Chandler	1	For
Sally Hardman	1	For
Richard Loukes	1	For
Andrea Godden	1	For
Kundai Matiringe (plus alternate for Brandon Rodrigues)	2	For
Total	6	For

3. Business Plan Updates

3.1. BP22

Jayne McGlone (JMc) confirmed that the budget consultation had ended 10 December 2021 and wished to note that Board approval was due during January 2022.

4. Retail Energy Code (REC) Update

Jayne McGlone (JMc) provided an update on the Ofgem Consultation, an overview of the impacts to the UNC and the next steps. For a detailed update, please refer to the published slides on the meeting page.

David Addison (DA) wished to flag that text within the UNC Section GT-D needed to be considered in relation pre and post REC establishment.

DA explained the approach in that if there was a code obligation to release data this had not been added to the Data Permissions Matrix (DPM) and this was an important point to note in terms of REC. Following implementation of REC V3 access to data for DSC Core Customers will continue.

The Committee considered wholesale access, how to manage this and what process should be followed for the DPM Conditionally Document. DA confirmed Xoserve will continue to liaise with Ofgem to ensure they are aware of any concerns being raised and asked for feedback / views on the SCR text (<https://www.gasgovernance.co.uk/SCR/switching>)

DA suggested at the next DSC Contract Management meeting the Committee should consider the changes required for the DPM document. The Committee considered where best to publish this information and believed the Switching SCR page on the Joint Office website would be an ideal location. <https://www.gasgovernance.co.uk/SCR/switching>

OC asked for full details and ways of accessing information with provided links to enable the assessment of the BRNs. DA referred to the summary of changes to the UK Link and asked for the questions to be sent to him direct.

5. Class 1 Read Service

5.1. Procurement Exercise – Modification 0710

Further to item 2.5 Ellie Rogers (ER) provided an update on the request of information which is still currently open. ER explained once the request has closed the responses will be considered and a proposal will be issued in the new year.

6. Monthly Contract Management Report

6.1. KPM Update*

Alex Stuart (AS) provided the November 2021 KPM / PI Operational Performance Summary. For a detailed update, please refer to the published slides on the meeting page.

AS reported a handful of exceptions requiring manual correction and 2 invoice failures, resulting in a commodity invoice error margin of 0.02%. AS also noted, an increased volume of requests and phone calls.

Sharon Bright (SB) provided an overview of credit performance, noting during the management of two Shippers exiting from the industry had resulted in failure to pay notices showing a dip in performance.

AS provided an overview of the invoice failures, relating to the commodity invoice as a result of batch jobs running slowly, needing manual intervention, and impacting some invoice timings. All impacted customers have been informed of the issue and the impact to them, the largest adjustment was for £500. CLR provided feedback on the communications provided and that the financial impact was not readily available when initially advised. AS agreed to feed this back into the team.

6.2. KPM – Customer Relationship Survey Results (Q3)

No discussions held

6.3. Contract Metrics

Paper provided for information. No discussions held.

6.4. Xoserve Incident Summary

Neil Laird (NL) provided the incident summary, reporting no P1/P2 incidents during November 2021, leading to 3 months with no incidents. NL noted a brief outage on Gemini systems in December which will be included in the January 2022 report.

NL provided an overview of the current status of the service improvement activities. For the detailed update, please refer to the published slides on the meeting page.

SM asked if there were any concerns managing the current systems and more specifically the current CMS which has been identified as being out of support. NL explained from a vendor perspective some specialised support may be outsourced for slighter older aspects of the system, due to the age of the technology. He reassured the Committee that the system can be supported but recognised there may be some issues that need addressing as he could not guarantee an error free service, with some elements using older technology. NL clarified it was not a case of not having support, it was a case that Xoserve may need to access specialised help.

SM asked if there were any material aspects which may need to be considered. NL agreed to examine this and provide a response within the next 24 hours.

6.5. UK Link Flow PIR

Paper provided for information. No discussions held.

6.6. Issue Management Updates

6.6.1 Issue Management Dashboard

Paper provided for information. No discussions held.

7. Central Switching Service (CSS) Update

Emma Lyndon (EL) provided an update on the program reporting that all activities remain on track with the preliminary go live date of 18 July 2022 being worked to with a 6-week 'firebreak' period within the phase 2 timelines. This means that the current transition timelines remain as is.

The update provided included an update on the testing and data migration. For the detailed update, please refer to the published slides on the meeting page.

8. Information Security Update

No discussions held.

9. Financial Information

No discussions held.

10. Business Continuity Plan

No discussions held.

11. Contract Assurance Audit

No discussions held.

12. Key Committee Updates

12.1. DSC Change Management Committee

SM made a request for a future discussion topic relating to changes being deferred which have a material commercial impact, challenging the appropriate engagement for decisions and whether the Contract Management Committee should be involved or have oversight of Change Management Committee decisions. SM asked for a discussion on the right approach.

BF advised that any changes to the proposed authorisation and governance route would require changes to the DSC Change Management and Contract Management procedures.

It was agreed to table an agenda item at the next Contract Management Committee to discuss this further.

13. Any Other Business

13.1. De-Carbonisation Update

Vicky Mustard (VM) provided an update on the hydrogen projects being supported from a CDSP point of view.

13.2. DSC Credit – Deeds of undertaking

Kundai Matiringe (KM) wished to highlight a challenge made that Xoserve should not be undertaking the deed of undertaking activity under the IGT UNC. KM believed in terms of governance that the IGT UNC would need to signpost to the UNC, however there had been a challenge that there should be something in the IGT UNC to reflect Modification 0788 (Urgent) - Minimising the market impacts of ‘Supplier Undertaking’ operation.

It was noted that in terms of Modification 0788 there was an assertion there were no cross-code impacts, although there was a view in the Final Modification Report that there might need to be changes to the IGT deed of undertaking, although this should not impact the Modification process.

If it has been identified that there is a cross-code impact this needs to be addressed.

13.3. DSC Credit – Debt Budgeting/Cash Flow

Steve Mulinganie (SM) wished to understand from a DSC Credit Committee perspective if there was potential debt building up from recent industry events which could affect the liquidity of business, and if there is anything that needs to be considered in terms of the impacts of bad debt.

David Turpin (DT) explained there is a risk that some bad debt is not recoverable and if significant this may impact cash-flow. DT clarified if a significant impact is envisaged this would need to be considered and charges may need to be re-worked.

14. Recap of decisions made during meeting

Angela Clarke (AC) provided an overview of discussions, decisions and actions made during the meeting.

15. Diary Planning

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

Time/Date	Venue	Programme
09:00-11:00 Tuesday 21 December 2021	Microsoft Teams	Extra-ordinary meeting to discuss CMS Options and approval
09:30 Wednesday 19 January 2022	Microsoft Teams	Standard Agenda
09:30 Wednesday 16 February 2022	Microsoft Teams	Standard Agenda
09:30 Wednesday 16 March 2022	Microsoft Teams	Standard Agenda

09:30 Wednesday 20 April 2022	Microsoft Teams	Standard Agenda
09:30 Wednesday 18 May 2022	Microsoft Teams	Standard Agenda
09:30 Wednesday 15 June 2022	Microsoft Teams	Standard Agenda
09:30 Wednesday 20 July 2022	Microsoft Teams	Standard Agenda
09:30 Wednesday 17 August 2022	Microsoft Teams	Standard Agenda
09:30 Wednesday 14 September 2022	Microsoft Teams	Standard Agenda
09:30 Wednesday 19 October 2022	Microsoft Teams	Standard Agenda
09:30 Wednesday 16 November 2022	Microsoft Teams	Standard Agenda
09:30 Wednesday 14 December 2022	Microsoft Teams	Standard Agenda

Action Table (as of 15 December 2021)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Target Date	Status Update
1201	15/12/21	2.1	Xoserve (LW/DT) to consider providing the basis 'Head of Terms' or the Terms and Conditions of the CMS service contract for the options.	Xoserve (LW/DT)	21 December 2021	Pending
1202	15/12/21	2.1	Xoserve (LW/DT) to provide split out the distribution of subscription costs and more narrative around the 16 year forecast.	Xoserve (LW/DT)	21 December 2021	Pending