

IGT039 Meeting #9**Present:**

Ashley Collins (AC)	EDF Energy		
Jon Dixon (JD)	Ofgem	Andy Miller (AM)	Xoserve
Tony Franklyn (TF)	National Grid	Zoe Murphy (ZM)	NPower
Gethyn Howard (GH) (Chair)	IPL	Trevor Peacock (TP)	FPL
Anne Jackson (AJ)	SSE	Adam Pearce (AP)	ESP
Tabish Khan (TK)	British Gas	Jenny Rawlinson (JR)	GTC
Steve Ladle* (SL)	Gemserv obo. IGT UNC	Chris Warner (CW)	National Grid

**via teleconference*

1) Introductions

The group members introduced themselves.

2) Review of Actions from Previous Meeting

- 1) **IGTs & AM to identify process differences between IGTs and GDNs. [Carried over]** GH confirmed this work was ongoing.
- 2) **GH to arrange call on closing of action #2 (from meeting 8). [Closed]** CW confirmed that he had met with lawyers and the outcome of this meeting will be covered off in the document to be discussed under agenda item 4.
- 3) **CW to contact Tim Davies regarding discussions with SL. [Closed] CW provided an update on this under agenda item 4.**

3) NEXUS Update

AM confirmed that the IGT Agency Services premodification consultation had issued to the industry and responses are due by January 18th. AM said that he would appreciate receiving any responses prior to the closing date, where available. Parties are able to submit sensitive information to Ofgem in confidence.

AC requested Xoserve's ability to deliver SSP prior to DCC testing as AM had been quoted in saying this could be delivered in another industry meeting. AM confirmed that he had been misquoted and that IGT Agency Services (or single service provision as it is sometimes known) is planned to be delivered as part of the Nexus industry requirements in 2015. IGT Agency Services will not be delivered in time for the current DCC go live date. As part of the IGT Agency Services development there will be a data migration and preparation exercise for IGT data and that once the IGT migration database is robust that database has the potential to be used as the source for data to go to the DCC rather than the IGTs sending individual files to Xoserve for Xoserve to collate and then send to the DCC.

4) Update on NG legal view on drafting approach/Discussion of IGT UNC Drafting Options

CW started discussions by running through a number of diagrams showing the current governance arrangements, CW introduced the concept of the iGT Arrangements Document (IAD) as a UNC document and discussed the potential non-IAD approach and an IAD approach (see Appendix 1). The group reviewed a non-IAD solution and the group discussed the positives and negatives of such an approach.

	Positives	Negatives
Approach Based on Current Governance Framework	Minimal Change to governance	High risk of Codes falling out of alignment Doesn't allow for IGT representation at UNC Enforceability issues around CSEP NExA Change management of CSEP NExA
IAD Approach	Provides framework for IGTs to participate under UNC Only Single Change required under UNC CSEP NExA Annex A matters brought under governance of IAD	Requires complex redrafting of UNC and IGT UNC Migration of activities out of Annex A of NExA would create additional work for IGTs

CW then ran through the IAD approach whereby the IAD would cover both a number of areas of Annex A of the CSEP NExA agreement and also set out the areas which IGTs could participate under the UNC. It is envisaged that the IGT UNC would point to the UNC where appropriate to avoid dual governance issues. Though it was acknowledged that further work would be required to determine exactly which areas would be included in the IAD, the group acknowledged that the IAD approach seemed the most suitable solution though IGTs would need to discuss how the CSEP NExA may be affected with the GDNs. It was noted that though the UNC modification could be raised to put the IAD framework in place, it would not obligate IGTs to sign up to the agreement. This (and to ensure consistency for future market entrants) could only really be achieved with an IGT specific equivalent along the lines of an A15 special condition equivalent.

CW confirmed that he had spoken to Steve Ladle (SL) of Gemserv and Tim Davies (TD) of the Joint Office as Network Code administrators and they believed that IGTs would require some form of representation on UNC matters where appropriate. It was noted that SL and TD had considered various options including a SPAA constituency type arrangement but believed this would not be feasible due to volume of change required to the UNC to implement. . On the issue of whether an IGT representative on the Panel should only be able to vote on issues that related directly to the IAD, SL commented that, as an example, NTS has a Transporter vote where this vote could currently be cast in areas that were not of direct interest to the NTS and this did not appear to have caused any problems to date. It was also noted that currently there is a split of 5 transporters and 5 shippers at the UNC Panel meaning that should IGTs be able to vote at the UNC Panel an additional Shipper vote may be required to balance representation, assuming the IGT representative did not take one of the current Transporter places.. The group was generally comfortable with the principles of the use of the IAD approach though it was acknowledged that further work was required to determine the exact content and to what degree IGTs may participate in UNC governance.

CW confirmed that the intention was to raise a UNC modification to implement an IAD framework in the next month or so but that the modification would be subject to a UNC development group which would work closely with IGT039. CW stressed that the key was for all parties to be in agreement of a governance framework approach prior to the modification being raised under the UNC. The Chair asked that all parties take an action to confirm their views in order that the IAD approach can be developed further.

The group discussed critical paths and timescales for the IGT Agency Services. It was noted that the SSP Business Requirements Document (BRD) had been baselined at the Project NEXUS UNC workgroup so the remaining work was generally aiming to be in place for the proposed IGT Agency Services implementation in 2015. In addition to governance being on the critical path, the group also agreed that the other main areas on the critical path were the IGT Agency Services premodification consultation (responses due January 18th) which has been raised in order to assess the business case for IGT Agency Services. The

group also noted that funding agreements were also on the critical path whilst noting that the AIGT had recently written to Energy UK to open discussion on funding principles.

The group also discussed the Ofgem/CEPA review of the funding governance and ownership arrangements of Xoserve. It is anticipated that the results of this review will be available sometime in early 2013. JD noted that it is important for the 039 work to avoid a chicken and egg situation where work currently being undertaken by CEPA may hinder the progress of 039. The group agreed to set dates as usual for the next 3 meetings (see agenda item 7) to ensure progression of the 039 work whilst ensuring that the CEPA work is monitored.

Following lunch, AM took the group through the process diagrams that IGTs and Xoserve had mapped out over the last few months. It was noted that these were in draft form and subject to change. AJ raised concerns that the goal of SSP was for processes to be the same irrespective of a site belonging to a GDN or IGT and that this may not provide a level playing field particularly around metering provision. The group then debated this and little agreement was made with IGTs stating that they did not believe the current processes to be anti competitive.

AM also presented the GT M number creation process that was being developed under an industry group. The group reviewed both iGT and GT processes and it was clear that should there be a single process, both the iGT and proposed GT process would need to be changed. The group agreed it would be sensible to review the new connections process at the next meeting in January to see if any synergies could be found and to discuss whether a single process could be agreed on.

Action: Parties to confirm views on whether IAD framework is acceptable.

Action: Parties to consider approaches for new connections process for next 039 meeting.

*Post meeting note; CW has confirmed that UNC Mod Proposal 0440 "Project NEXUS – IGT Single Service Provision" has now been raised at www.gasgovernance.co.uk/0440

5) Review of Terms of Reference

The group noted the email circulated prior to the meeting by the modification proposer which asked the group to review the terms of reference due to the volume of changes this work may potentially require. The results of this review can be found in appendix 2.

6) AOB

There was no AOB.

7) Future Meeting Dates

Dates have for the next 3 meetings have been set as;

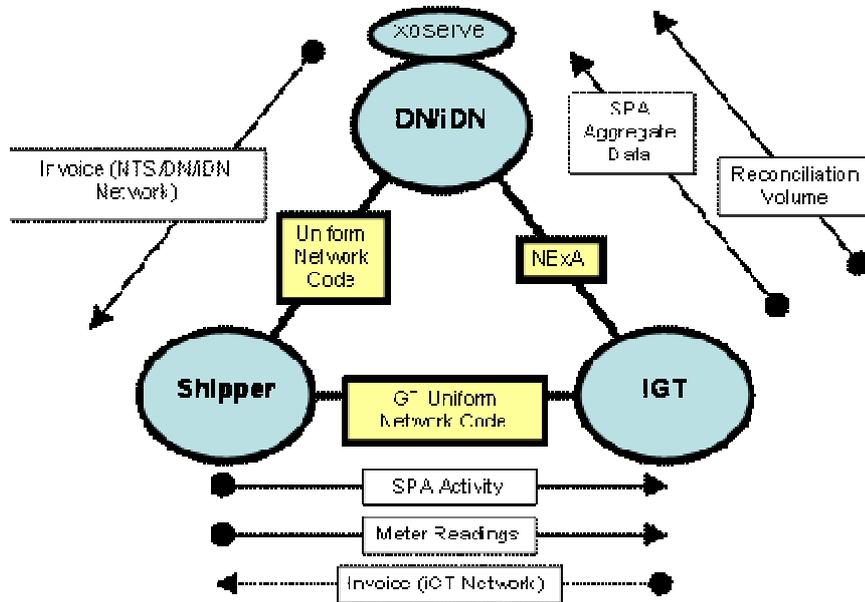
- January 10th
- January 31st
- February 19th

Actions:

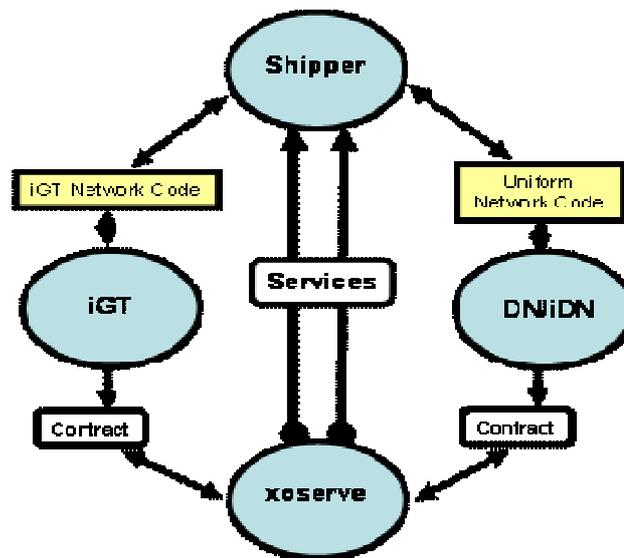
- 1) IGTs and AM to identify process differences between IGTs and GDNs.**
- 2) Parties to confirm views on whether IAD framework is acceptable.**
- 3) Parties to consider approaches for new connections process for next 039 meeting.**

Appendix 1

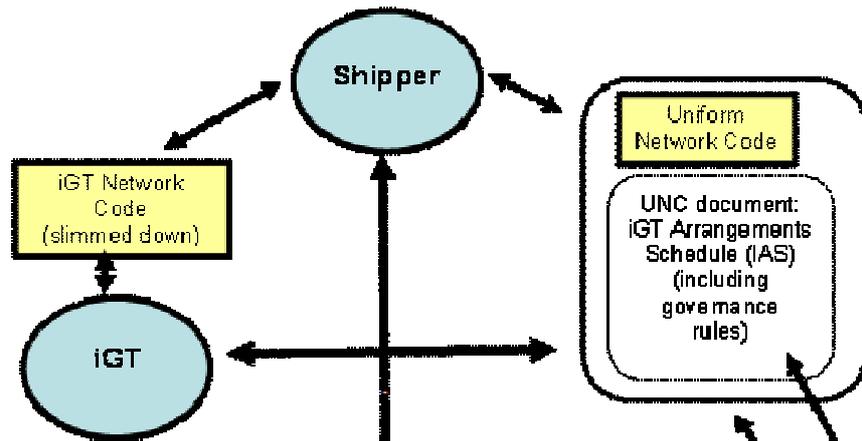
EXISTING CONTRACTUAL STRUCTURE AND INFORMATION FLOWS



RISK OF IGT UNC AND UNC CHANGING INDEPENDENTLY OF EACH OTHER



SUGGESTED NEW CONTRACTUAL ARRANGEMENTS:



Appendix 2

Number	Requirement	Status	Comments
1	The package of changes that may be necessary to extend the existing GT Agency arrangements to IGTs (including the changes to the IGT UNC and any changes necessary that extend beyond the scope of the IGT UNC)	In Progress	
2	To the extent possible, developing the details of these changes	In Progress	See above
3	To the extent possible, assessing the impacts, cost and benefits to consumers, shippers and IGTs of migration to a single Agent	In Progress	Covered under Xoserve Premodification consultation
4	Events/circumstances that may influence the ability for a single service agency to be delivered	In Progress	Current ongoing work in this area are funding discussions and review of proposed processes
5	Specific suggestions for changes to the IGT licence	Not Started	
6	Any impact this change may have on UNC	In Progress	
7	Assess what changes will be required for the IGTs to use the GDNs' agent for the delivery of the common processes as detailed in the IGT UNC and the large transporters Agency Services Agreement	In Progress	
8	Identify the exact services that may come under Agency	In Progress	Covered under IGT SSP Business Requirements Document
9	Investigate potential funding alternatives to deliver the services; Compare proposals against the current IGT UNC to	In Progress	
	a. Identify potential changes to the IGT UNC required to deliver the agency service	In Progress	
	b. Identify what information the GDN's agent will be required to provide to the IGTs and what information the IGTs will need to supply to the agent	In Progress	

	c. Identify what information the GDN's agent will be required to provide to the Shippers and what information the Shippers will need to supply to the agent	In Progress	
10	Agree the file formats that are to be used for the various process communications	Not Started	This will come later in the process though this is to be on the basis that files used will be those used by GDNs at time of implementation.
11	Assess the costs and benefits to IGT parties (IGTs and Shippers/Suppliers) – will require assistance from Ofgem	In Progress	Covered under Xoserve Premodification consultation
12	Assess implementation timing issues and any dependencies on other industry activity	In Progress	This is being driven by the requirements of Project NEXUS