

## Concluding RG001 – Funding, Governance and Ownership (FGO)

### 1. Purpose

This paper sets out to the iGT UNC Modification Panel the key findings of the FGO implications for the iGT UNC, and includes recommendations for the conclusion of RG001 that the Modification Panel may seek to take.

### 2. Background

The Funding, Governance and Ownership (FGO) Programme was established in May 2014 to define and deliver a blueprint for the future funding and governance of the Central Data Service Provider (CDSP) and Central Data Services (CDS), in line with Ofgem's FGO Review conclusions in October 2013. At the iGT UNC Modification Panel held on the 16th March 2016 the Panel determined that this proposed change should be subject to the Review Proposal Procedures, pending the raising of an iGT UNC Modification Proposal.

### 3. Scope and Deliverables

The Review group created for FGO implications was asked to meet three deliverables. These were;

1. *A final report outlining the findings of the Group, including recommendations for any changes to the iGT UNC*

This will be encompassed within this report and further explored in the new Modification Proposal for iGT086.

2. *A draft Modification Proposal to set out any required changes that will need to be made to the iGT UNC as identified by the Review Group Review*

iGT086 was created to review the Code and to implement any changes as a result of FGO. This modification was raised on 7<sup>th</sup> June 2016, however, due to delays with the base text for the UNC the development of this Modification was significantly impacted. A key reason was that due to the delay in the implementation date for Nexus from the 1<sup>st</sup> October 2016 to the 1<sup>st</sup> June 2017. The UNC has to produce two versions of legal drafting; one for the implementation of FGO on the 1<sup>st</sup> April 2017 and one for the new version of the UNC to be implemented to support Nexus. The iGT UNC legal text to be developed by iGT086 was dependent on the production of the proposed UNC code for the June implementation date which could not be produced until the legal text for the 1<sup>st</sup> April date had been resolved. Hence there was significant period between September 2016 and February 2017 where work on iGT086 had to be suspended. On 4<sup>th</sup> April 2017 the Workgroup report for this Modification was concluded and a Draft Modification report will be presented to an Extraordinary Panel on 12<sup>th</sup> April with a recommendation that this proposal proceed to Consultation.

3. *Reports of progress will be provided to the iGT UNC Modification Panel at each meeting held throughout the period of review.*

The review group remained on all iGT UNC Panel meeting agendas and an update was provided at every opportunity.

Below is an in-depth summary of Key events;

#### **Update from the workgroup held on the 2nd August 2016**

Gethyn Howard (GH) confirmed that the review of arrangements would come into force from 1st April 2017; the Review Group noted that this may have implications on how the text is implemented, as Section N drafting would not be in place were the implementation date for Project Nexus be delayed until after this date. GH considered that the FGO programme was currently at risk for completion in April 2017; however, Ofgem was keen to ensure that the work was completed ahead of this time.

GH considered that the UNC change was likely to be circulated as a Draft Modification Report in October or November 2016. GH therefore considered that an iGT UNC Modification should be considered by the Modification Panel in December 2016. The Review Group considered that any change was likely to be documentation only, requiring the minimum two months implementation lead time following a decision to implement.

#### **Update from workgroups held in September 2016 through February 2017**

It was recognised that with the delay of the Nexus implementation until June 2017 this would impact the date by which the FGO arrangements had to be reflected within the iGT UNC. No progress could be made on the iGT Modification pending finalisation of the UNC565 Modification and completion of the legal drafting for the UNC Nexus text. This was delayed as the UNC's focus was foremost on the UNC legal drafting for the implementation of the FGO arrangements in April 2017. Once this was complete then the UNC would switch to the drafting changes required for the Nexus version of the UNC. Only at this stage could the changes that will be required to the iGT UNC be properly identified.

#### **Update from workgroup held in March 2017**

The workgroup reviewed the final draft of the legal text and the new section N which was to be sent to external Lawyers for the final review before this Modification can be sent out for consultation. The Workgroup made a number of small suggestions for change to the legal text which Gethyn Howard agreed to review post the meeting. It was expected that the legal text review by the external lawyers would take approximately a week and would be returned in time for the next workgroup where it is expected that the workgroup for this modification would conclude.

#### **Update from workgroup held in April 2017**

A further review of the legal text as amended following the external legal review was carried out by the Workgroup. Consensus of the Workgroup was that the legal text delivered the intentions of the Modification. The Workgroup also reviewed the proposed changes to the Standards of service query

management ancillary document and agreed that this should be incorporated into the intention of iGT086 as per the terms of reference for RG001. The Workgroup agreed that this Workgroup report should be sent to an Extraordinary Panel meeting on 12th April with a recommendation to be sent to Consultation under the self-governance Modification rules.

#### **4. Recommendations**

The workgroup recommendation to Panel is that the RG001 review group should be closed after a successful conclusion of all areas of the terms of reference.