

UNC Modification Proposal 0565 - Central Data Service Provider – General framework and obligations

UNC Modification Panel – November 2015

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Background to Xoserve Funding Governance and Ownership (FGO)

- Transporter Agency services pertaining to discharge of UNC obligations are responsibility of the Gas Transporters (GTs) who contract with Xoserve via an Agency Services Agreement (ASA)
- 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
- The implementation of these conclusions requires amendment to relevant regulatory and UNC arrangements and the development of a fully cooperative model for the CDSP which retains the integrated CDS systems and services which Xoserve presently delivers in its role as the Transporter Agency.



Programme governance

- KPMG appointed FGO Programme Manager - January 2015
- Endorsement of Programme Initiation Document (PID) and Programme Blueprint for CDSP operating model under FGO – April 2015
- FGO Workgroups (under Programme Overview Board (PoB) formed to develop deliverables in five areas
- Phased reform to March 2017
- Obligations and contracts workgroup established - March 2015:
 - UNC obligations to be reallocated between GTs and Shippers
 - New contracts between Xoserve and individual service users



Developments

- Programme Overview Board (PoB) and Obligations Workgroup
 - April 2015: High level review of Agency Services Agreement (ASA)
 - May 2015: Identified that TPD Section V6.5 would drive most high level changes, with individual sections being changed as required
 - May 2015: Workgroup identified that GTs should progress the changes through the UNC modification process
 - June 2015: Dentons (lawyers) engaged by NGD to provide a legal view of the approach to undertaking UNC changes
 - August 2015: Consideration of allocation to further ASA service lines
 - October 2015: Consideration of service line allocation and FGO transition into UNC Modification process
 - October 2015: PoB agreed that UNC Modification Proposal should be submitted to November 2015 Modification Panel



Proposed GT Draft Licence Conditions:

Standard Special Condition A15A: Central Data Service Provider (*New condition – 1st April 2016*)

- The licensee shall, together with the other relevant gas transporters, ensure that modifications to the uniform network are proposed so that the uniform network code sets out from the phase 2 implementation date (*1st April 2017*):
 - (a) obligations on the licensee and other users of CDSP services (to the extent bound by the uniform network code) to:
 - (i) jointly control and govern the provision of CDS with the objective of providing CDS on an economic and efficient basis;
 - (ii) use or procure the use of CDS from the central data service provider;
 - (iii) enter into contractual arrangement for the use of CDS; and
 - (iv) pay for CDS used in accordance with the charging statement prepared by the central data service provider (“the CDS charging statement”);



Proposed UNC framework

- UNC to have general provisions to include the CDSP and reflect CDS services
- UNC to reflect various obligations on parties concerning control, use, governance and charging arrangements associated with the CDSP
- Parties required to enter into a Data Services Contract (DSC) with CDSP to deliver relevant services to them
- UNC would contain obligation for parties to sign onto and comply with the DSC (would also form additional User accession requirement)
- Control over delivery of services to Transporters and Users to be identified within UNC TPD V6.5 (and relevant UNC sections)
 - This is expected to be reflected within the DSC contract Users and Transporters will have with the CDSP



Objectives of UNC Workgroup

- Develop detailed business rules leading to production of legal text and commentary around Modification framework
 - Workgroup report to be produced by October 2016
- Modification may need amendment as assessment proceeds
- Proposer will have full support and advice from internal and external lawyers as necessary as prerequisite for legal text production
- DSC contract will need to be developed in parallel with modification assessment