

MODIFICATION 0565

CENTRAL DATA SERVICES PROVIDER – GENERAL FRAMEWORK AND OBLIGATIONS

Drafting Notes

1. The legal text against which the drafting changes are shown incorporates, except in the case of the changes to TPD Sections G, H and M, any changes made by the core Project Nexus Modifications, i.e. Modifications 0432 and 0434.
2. The changes needed for Modification 0565 are drafted on the basis the core Project Nexus Modifications have been implemented.
3. Therefore the Transitional Arrangements Document (one of the CDSP Service Documents), will include drafting which suspends or amends certain provisions introduced under Modification 0565 until the Project Nexus Implementation Date.

[Draft] proposed legal text

TRANSPORTATION PRINCIPAL DOCUMENT

TPD Section B: System Use and Capacity

Amend paragraph 1.7.1(a) to read as follows:

...comprise Capacity Charges, Commodity Charges, Customer Charges, CSEP Charges, ~~User Pays Charges~~ and NTS Entry Capacity Retention Charges ...

Add new paragraph 1.15 to read as follows:

1.15 CDSP Functions

1.15.1 Agency Functions of the CDSP to support implementation of this Section B are:

- (a) calculating Transportation Charges, Overrun Charges, CSEP Overrun Charges and Supply Point Ratchet Charges; and
- (b) maintaining a record of Users Registered and Available System Capacity holdings.

Amend paragraph 1.7.8(a) to read as follows:

... the prevailing Transportation Statement; or Metering Charges Statement ~~or Agency Charging Statement~~;

Delete paragraphs 1.7.11, 1.17.12, 1.7.13 and 1.7.14 ~~(where we currently define Agency Charging Statement, User Pays Charge and User Pays Service^[1])~~.

TPD Section C: Nominations

Add new paragraph 1.14 to read as follows:

1.14 CDSP Functions

- 1.14.1 Agency Functions of the CDSP to support implementation of this Section C are calculating Forecast User LDZ Unidentified Gas for LDZs and calculating forecast User LDZ Unidentified Gas amounts.⁺

TPD Section E: Daily Quantities, Imbalances and Reconciliation

Add new paragraph 1.14 to read as follows:

1.14 CDSP Functions

- 1.14.1 [Direct Functions of the CDSP to support implementation of Section E are appointing and managing the AUG Expert.](#)

[1.14.2](#) Agency Functions of the CDSP to support implementation of Section E are:

- (a) calculating Daily Imbalances (including forecast and prevailing imbalances);
- (b) determining Error Revised UDQOs; [and](#)
- (c) calculating all values and amounts required to support Offtake Reconciliation and Unidentified Gas Reconciliation; ~~and.~~

~~(d) — appointing and managing the AUG Expert.~~

Amend paragraphs 9.2 and 9.3 to read as follows^[2]:

9.2 Appointment of AUG Expert

- 9.2.1 A person shall be appointed by the ~~Transporters~~ [CDSP](#), in accordance with this paragraph 9.2, for the purposes of:

- (a) preparing the AUG Statement or (as the case may be) modifying the AUG Statement for the Preceding AUG Year, and recommending it to the Committee; and
- (b) preparing the AUG Table, and recommending it to the Committee,

in relation to each AUG Year.

- 9.2.2 The ~~Transporters~~ [CDSP](#) shall, subject to and in accordance with the AUG Document and the requirements of the Committee:

- (a) prepare arrangements and documentation for a tender for the appointment of a person as AUG Expert;
- (b) conduct such tender on the basis of such arrangements and documentation;
- (c) review and assess the proposals made by persons tendering for appointment as the AUG Expert ("bidders") pursuant to the tender;
- (d) where appropriate (for the purposes of the selection of a bidder) enter into discussions with one or more bidders;
- (e) use reasonable endeavours to enter into an AUG Expert Contract with the selected bidder; and

⁺ ~~This is a post Project Nexus service.~~

- (f) perform the ~~Transporter~~CDSP obligations, and exercise the ~~Transporters~~CDSP rights, in accordance with the AUG Expert Contract.

9.2.3 Without prejudice to the requirements of the AUG Document, the ~~Transporters~~CDSP may seek guidance or direction of the Committee in relation to anything they propose to do or any other matter arising in connection with their activities under paragraph 9.2.1, and may act in accordance with such guidance or direction.

9.2.4 This paragraph 9.2 shall apply on each occasion on which an AUG Expert is to be appointed.

9.3 Terms of engagement of AUG Expert and cost recovery

9.3.1 Nothing in this paragraph 9 shall require the ~~Transporters~~CDSP to enter into an AUG Expert Contract on terms which in the ~~Transporters'~~CDSP's reasonable opinion:

- (a) would be unlawful for the ~~Transporters~~CDSP; or
- (b) would give rise to the ~~Transporters~~CDSP incurring any liability, other than in respect of ~~their~~its own wilful misconduct, gross negligence or fraud, ~~which the Transporters are not entitled to recover from Users pursuant to paragraph 9.3.5.~~

9.3.2 The ~~Transporters~~CDSP may enter into an AUG Expert Contract on terms which:

- (a) limit or exclude the liability (as to such matters as may be provided in such contract) of the AUG Expert;
- (b) provide that if a ~~User~~Party or any supplier or consumer makes any claim or takes any legal proceedings (as to such matters as may be provided in such contract) against the AUG Expert, the ~~Transporters~~CDSP will indemnify the AUG Expert in respect of such claim or proceeding,

and in such a case each ~~User~~Party undertakes that it shall not, and ~~in the case of a User it~~ shall procure that each supplier and consumer does not, make such a claim or take such proceedings against the AUG Expert, and shall indemnify the ~~Transporters~~CDSP in respect of any liability to the AUG Expert if such ~~User~~Party or any such supplier or relevant customer does make such a claim or take such proceedings.

~~9.3.3 The Transporters may agree the AUG Expert Contract shall be entered into by a single Transporter, but in the absence of such agreement they shall each be a party to the AUG Expert Contract.~~

9.3.4 For the avoidance of doubt, the ~~Transporters~~CDSP shall not be the agent or trustee of any ~~User~~Party for the purposes of the AUG Expert Contract, and the ~~Transporters~~CDSP shall owe no duties or responsibilities to any ~~User~~Party in respect of the AUG Expert Contract other than as provided in this paragraph 9 and the AUG Document.

~~9.3.5 The functions of the Transporters under this paragraph 9 (including the engagement of the AUG Expert) are User Pays Services and all amounts payable to the AUG Expert and any other costs, expenses and liabilities incurred under the AUG Expert Contract are recoverable as User Pays Charges.~~

TPD Section F: System Clearing, Balancing Charges And Neutrality

Add new paragraph 1.8 to read as follows:

1.8 CDSP Functions

1.8.1 Agency Functions of the CDSP to support implementation of this Section F ~~[include]~~ [are]:

- (a) calculating Energy Imbalance Charges; and
- (b) calculating Scheduling Charges.

TPD Section G: Supply Point Capacity

To be amended in accordance with changes shown in the document attached as Annex A.

TPD Section H: Demand Estimation and Demand Forecasting

To be amended in accordance with changes shown in the document attached as Annex B.

TPD Section M: Supply Point Metering

To be amended in accordance with changes shown in the document attached as Annex C.

TPD Section Q: Emergencies

Add new paragraph 1.12 to read as follows:

1.12 CDSP Functions

1.12.1 Agency Functions of the CDSP to support implementation of this Section Q are:

- (a) maintaining a record of User emergency contact details; and
- (b) managing post-emergency claims validation processes.

...

Amend paragraph 4.5.9 to read as follows:

4.5.9 For the purposes of reviewing claims submitted by each claimant, National Grid NTS appoints the ~~Transporter Agency~~ CDSP as the claims reviewer (the “**Post-Emergency Claims Agent**”) to undertake the validation of all claims.

TPD Section S: Invoicing and Payment

Add new paragraph 1.13 to read as follows:

1.13 CDSP Functions

1.13.1 Agency Functions of the CDSP to support implementation of this Section S ~~[include]~~ [are]:

- (a) notifying Users of invoice timing;
- (b) calculating Invoice Amounts;
- (c) submitting Invoice Documents (and supporting data); and
- (d) resolving Invoice Queries.

~~*Note: in some cases GT calculate invoice amounts under (c), e.g. failure to make gas available for offtake.*~~

~~*[Delete paragraphs 4.6 (GRE Invoice Query Incentive Scheme Methodology) and 4.7 (Operational queries).]*~~

TPD Section U: UK Link

Delete all text in Section U.

TPD Section V: General

To be amended in accordance with changes shown in the document attached as Annex D.

TPD Section X: Energy Balancing Credit Management

Add new paragraph 1.7 to read as follows:

1.7 CDSP Functions

1.7.1 Agency Functions of the CDSP to support implementation of this Section X are:

- (a) implementing the Energy Balancing Credit Rules and liaising with the Energy Balancing Credit Committee;
- (b) managing Users Energy Balancing accounts and Further Security Requests;
- (c) monitoring and revising Users Secured Credit Limits and submitting Cash Calls; and
- (d) calculating Relevant Balancing Indebtedness and Outstanding Relevant Balancing Indebtedness.

OFFTAKE ARRANGEMENTS DOCUMENT

OAD Section M: Information Flows

Amend paragraph 2.1.2 to read as follows:

2.1.2 The Offtake Communications Document may (without limitation) specify any of the matters in paragraph 2.1.1:

- (a) in relation to any category of information, generically by reference to a part of this Document or the Transportation Principal Document, or function or activity pursuant to this Document or the Transportation Principal Document, or specification (provided such specification is available to all Parties) of a system provided by a Party or Parties in connection with the implementation of this Document or the Transportation Principal Document; and/or
- (b) by reference to any provision of any agreement to which the Parties are party, including without limitation the ~~Agency Services Agreement~~ DSC; and/or
- (c) in the form of a process diagram or other procedure.

...

Amend paragraph 2.2.1 to read as follows:

2.2.1 (Unless otherwise provided elsewhere in the Transportation Principal Document or this Document) the means by which information may be provided by a Party are as follows:

- (a) by telemetry as provided in Section E;
- (b) by or through the ~~Agency~~ CDSP, or by means of systems provided by the ~~Agency~~, CDSP pursuant to the ~~Agency Services Agreement~~ DSC;

- (c) by fax in accordance with GT Section B5.2;
- (d) by telephone in accordance with GT Section B5.3;
- (e) by any other specific medium and/or communications system described in the Offtake Communications Document; and/or
- (f) any combination of the above.

OAD Section N: General

Amend paragraph 4.2.2 to read as follows:

4.2.2 The requirements referred to in paragraph 4.2.1(a) are as follows:

- (a) the New DNO shall have applied to National Grid NTS, in such form as the Offtake Committee may from time to time prescribe, giving the following details:
 - (i) the name of the New DNO;
 - (ii) the legal nature of the New DNO and, where the New DNO is not a company incorporated under the Companies Act 1985 (as amended), such further information concerning the constitution of the New DNO as National Grid NTS may reasonably require;
 - (iii) the address, telephone and facsimile numbers of the New DNO, and the individual for whose attention notice is to be marked, for the purposes of notice under GT Section B5.2.3; and
 - (iv) where the New DNO is not a company incorporated under the Companies Act 1985 (as amended), an address for service in accordance with GT Section B6.7.3;
- (b) the New DNO shall have obtained from the Offtake Committee one or more copies of the Subsidiary Documents and such other documents referred to in this Document or the Transporters Framework Agreement as the Committee shall from time to time prescribe for the purposes of this paragraph 4.2.2(b);
- (c) the New DNO has entered into or has had assigned or novated to it Supplemental Agreements with the relevant Party in respect of each Offtake relating to the LDZ of which it is operator as required by this Document; ~~and~~
- (d) the New DNO has satisfied any requirements which may apply under the Offtake Communications Document; ~~and~~ and
- (e) the New DNO shall have signed the Accession Agreement and shall have satisfied the Accession Requirements (each as defined in the DSC).

...

Amend paragraph 5.1.1 to read as follows:

5 Cessation, withdrawal and termination

5.1 Withdrawal

- 5.1.1 A DNO ("withdrawing DNO") may cease to be a Party where the following conditions are, or will (with effect from its ceasing to be a Party) be, satisfied:
- (a) the withdrawing DNO has ceased to be the operator of any LDZ;
 - (b) the withdrawing DNO is not bound to be a Party by the conditions of a Transporter's Licence;
 - (c) the withdrawing DNO is not bound by the Code pursuant to any Shippers Framework Agreement;
 - (d) all Supplemental Agreements to which the withdrawing DNO is party have been assigned or novated to another Party or have been terminated;
 - (e) there are no financial or other liabilities or obligations (whether accrued, outstanding or contingent) of the withdrawing DNO to any other Party under this Document; and
 - ~~(e)~~(f) the withdrawing DNO has satisfied the Withdrawal Requirements (as defined in the DSC)

....

Amend paragraph 7.1.6 to read as follows:

- 7.1.6 In the event of any conflict between this paragraph 7.1 and any provision of the ~~Agency Services Agreement~~ Data Services Contract or, Joint Governance Arrangements Agreement, the relevant provision of the ~~Agency Services Agreement~~ Data Services Contract or, Joint Governance Agreement shall prevail.

INDEPENDENT GAS TRANSPORTERS ARRANGEMENTS DOCUMENT

Section A: Scope and Classification

Amend paragraph 1.7 to read as follows:

1.7 CDSP Agency Company

- 1.7.1 Pursuant to [GT Section B7] ~~e~~Each Independent Gas Transporter is to engage the ~~Agency Company~~ CDSP to undertake certain activities (in relation to the IGT Code) including activities equivalent to certain of those of the ~~Transporter Agency CDSP~~ pursuant to the Transportation Principal Document, TPD Section V, and to act as agent of the Independent Gas Transporter for certain purposes; and each Independent Gas Transporter is to enter into an agreement the DSC with the Agency Company CDSP for those purposes.

~~1.7.2 For the purposes of the Code;~~

- ~~(a) —“Agency Company” means the person which acts as Transporter Agency pursuant to TPD Section V6.5; and~~

- ~~(b) —“IGT Agency Services Agreement” means the agreement referred to in paragraph —
—— 1.7.1.~~

~~1.7.3~~ 1.7.2 Each DN Operator and each Independent Gas Transporter are also to engage (pursuant to the DSC) the ~~Agency Company~~ CDSP to provide and receive certain data pursuant to this Document.

~~1.7.4~~ 1.7.3 The ~~Agency Company~~ CDSP may, as agent for each DN Operator and each Independent Gas Transporter, provide and receive information which is not specified in paragraphs 3.1.2, 3.1.3 and 3.2.2 of IGTAD Section D to the extent that it is necessary to do so to enable the operation of the Code.

- 1.7.4 The services to be provided by the CDSP to DN Operators and Independent Gas Transporters in connection with this Document are CDSP Agency Services.

Section B: IGT Systems – Connection and Operational Arrangements

Add new paragraph 1.7 to read as follows:

1.7 CDSP Functions

- 1.7.1 Agency Functions of the CDSP to support implementation of this Section B ~~[are]~~ ~~[include]~~ maintaining IGT System Registrations on behalf of DN Operators.

Section D: IGT Code Rules and Data Exchange

Amend paragraph 2.1.2 to read as follows:

- 2.1.2 Notwithstanding paragraph 2.1.1, it is acknowledged and agreed that (as ~~reflected~~ ~~provided~~ in the ~~IGT Agency Services Agreement~~ DSC Services Description) the provisions of [an] IGT² Code in relation to the registration of New Supply Meter Points and the provision of Supply Meter Installations may differ from those of the Transportation Principal Document to reflect differences (which do not prejudice the objective set out in paragraph 1.1.1) in the processes applied by Independent Gas Transporters in relation to those matters.

...

Amend paragraph 3.3 to read as follows:

3.3 Central Data Services Provider Transporters' Agency

- 3.3.1 Pursuant to the DSC, ~~Each~~ DN Operator and each Independent Gas Transporter ~~shall~~ appoint the ~~Agency Company~~ CDSP as its agent to provide and receive the information specified in paragraphs 3.1.2, 3.1.3 and 3.2.2 (and ~~they~~ shall not provide such information other than by the CDSP ~~Transporters' Agency~~).
- 3.3.2 The Parties acknowledge and agree that:
- (a) the services of the ~~Agency Company~~ CDSP to be provided respectively to Independent Gas Transporters and to DN Operators under the DSC Services Description include the provision of the information specified in paragraphs 3.1 and 3.2 respectively;
 - (b) by virtue of such services, each Independent Gas Transporter and DN Operator will (provided it complies with the requirements in paragraph 2 and the DSC arrangements made with the Agency Company, and subject to paragraph (c)) comply with the requirements of paragraph 3.1 and 3.2;
 - (c) it is the responsibility of the Independent Gas Transporter to enforce the IGT Code in relation to IGTS Users; and
 - (d) paragraph (b) will not apply in relation to an Independent Gas Transporter to the extent that the failure of a IGTS User to comply with the IGT Code results in any failure of the Independent Gas Transporter to provide information in accordance with paragraph 3.1.
- 3.3.3 Each Party acknowledges that the ~~Agency Company~~ CDSP may provide to the other Parties information received from the first Party or its Users to the extent necessary to give effect to the provisions of this Section D.

² In GT D we use IGT Code as if there were only one, i.e. like the UNC. To confirm which is correct.

Section E: DM CSEP Supply Points

Amend paragraph 1.3 to read as follows:

1.3 ~~Transporters Agency~~ Central Data Services Provider

- 1.3.1 Pursuant to the DSC, ~~Each DN Operator and each Independent Gas Transporter shall appoints the Agency Company~~ CDSP as its agent to provide and receive the information specified in paragraphs 2.2.1, 2.2.2, 2.3 and 3.1.2.

Section F: General

Amend paragraph 3.2.2(d) to read as follows:

- (d) ~~the New IGT will have acceded to the IGT Agency Services Agreement and satisfied all requirements under that Agreement for the New IGT to obtain services from the Transporters Agency. shall have signed the Accession Agreement and shall have satisfied the Accession Requirements (each as defined in the DSC).~~

...

Amend paragraph 4.1.1 to read as follows:

- 4.1.1 An Independent Gas Transporter ("**withdrawing IGT**") may cease to be Party where the following conditions are, or will (with effect from its ceasing to be a Party) be, satisfied:
- (a) the withdrawing IGT has ceased to be the operator of any IGT System;
 - (b) the withdrawing IGT is not bound to be a Party by the conditions of a gas transporter's licence;
 - (c) the withdrawing IGT has no outstanding CSEP Registrations or IGT Registrations;
and
 - (d) there are no financial or other liabilities (whether accrued, outstanding or contingent) of the withdrawing IGT to any other Party under this Document;
and
 - (e) the withdrawing IGT has satisfied the Withdrawal Requirements (as defined in the DSC).

...

Amend paragraph 5.1.2 to read as follows:

- 5.1.2 The terms of the Code, the Transporters Framework Agreement and, ~~the Agency Services Agreement and the IGT Agency Services Agreement~~ DSC are not Protected Information.

...

Amend paragraph 5.1.5 to read as follows:

- 5.1.5 For the avoidance of doubt, information received by a Party from the ~~Transporters Agency~~ CDSP acting as agent on behalf of another Party is Protected Information for the purposes of the Code.

...

Amend paragraph 5.2.2 to read as follows:

- 5.2.2 In relation to the Receiving Party, "Permitted Activities" means the carrying on of transportation business (as defined in the Receiving Party's gas transporter's licence(s)), the operation, administration, maintenance and development of the Receiving Party's System, and the implementation and performance of the Code, the Transporters' Framework Agreement or [any] IGT Code or IGT Framework Agreement or the DSC.

...

Amend paragraph 5.4.1(d) to read as follows:

- (d) to any Protected Information to the extent that the Receiving Party is expressly permitted or required to disclose that information under the terms of any agreement or arrangement made with the Protected Party or to which it is party (including this Document, the Transporters Framework Agreement, ~~and~~ any Supplemental Agreement to which the Protected Party is a party, and the DSC);

...

Amend paragraph 6.1.6 to read as follows:

6.1.6 In this paragraph 6.1:

- (a) ~~references to a Party's agent include the Agency Company when acting as agent for that Party (but for the avoidance of doubt, the Transporters Agency does not enter into or perform the IGT Agency Services Agreement as agent for the Transporters); and~~³
- (b) **"third party"** means any person other than a Party, or any officer, employee or agent of a Party (and for the avoidance of doubt includes any User).

...

Amend paragraph 8.2.1 to read as follows:

- 8.2.1 Where under the provisions of this Document (including under Section D or E) an IGTAD Communication is to be given by the ~~Transporters Agency~~ CDSP on behalf of a Party, such IGTAD Communication shall be deemed to be given and received at the time required and in compliance with the provisions of this Document, except where the relevant systems of the ~~Transporters Agency~~ CDSP have failed in which case such communication shall be given in accordance with the applicable Contingency Procedures provisions in the UK Link Manual ~~of the Agency Services Agreement or IGT Agency Services Agreement~~.

MODIFICATION RULES

[To follow – await finalisation of the Change Management Procedures.]

TRANSITION DOCUMENT

TD Part I: General

Add new paragraph 3 to read as follows:

³ No longer needed on the basis that the DSC will provide a liability regime for the CDSP to which all IGTAD Parties have signed up.

3 Transitional arrangements in relation to CDSP and DSC

3.1 For the purposes of the Code

- (a) **"CDSP Modification"** means the Code Modification referred to as Modification 0565 to be implemented with effect from the CDSP Implementation Date;
- (b) **"CDSP Modification Date"** means the Day following the Day on which the CDSP Modification is approved by the Authority;
- (c) **"CDSP Implementation Date"** means [1 April 2017].

3.2 The agreed form, as at the CDSP Modification Date, of each of the documents (together comprising the DSC) listed below, is the form of such document submitted to the Authority as an attachment to the Final Modification Report in respect of the CDSP Modification:

- (a) the DSC Agreement;
- (b) the DSC Terms and Conditions;
- (c) the CDSP Service Description;
- (d) the Budget and Charging Methodology;
- (e) the DSC Credit Policy;
- (f) the UK Link Manual;
- (g) the Change Control Procedures;
- (h) the Contract Management and Reporting Arrangements;
- (i) the Bespoke and Third Party Services Policy; and
- (j) the DSC Transitional Arrangements Document.

3.3 The DSC Transitional Arrangements Document, so far as it contains provisions which operate to commence or vary (or otherwise operate as transitional provisions in respect of) the provisions of the Code as modified by the CDSP Modification, shall have effect for the purposes of the Code as if it were incorporated in the Transition Document.

GENERAL TERMS

GT Section C: Interpretation

Amend definition of "Code Communication" in paragraph 1 to read as follows:

"Code-TPD Communication" means any communication to be given by a Party or the CDSP User or a Transporter (including any notification, application, nomination, confirmation, request, approval, acceptance, invoice or other notice to be given, made or submitted) under the Transportation Principal Document.]

Do we need to do the same with IGTAD? Any Direct Functions in IGTAD?

...

Amend paragraph 2.9.7 to read as follows:

2.9.7 An "**Affiliate**" of a specified percentage in relation to a body corporate is:

- (a) another body corporate which holds not less than the specified percentage of the voting rights of the first body corporate; or
- (b) a subsidiary of the first body corporate or of such a body corporate as is referred to in paragraph (a);

and for these purposes 'voting rights', 'holding' voting rights and 'subsidiary' are to be construed in accordance with Section 736A of the Companies Act 1985. The CDSP shall not be treated for any purposes of the Code as an Affiliate (of any specified percentage) of any Party.