

**UNC Workgroup 0565 Minutes**  
**Central Data Service Provider: General framework and obligations**  
**Tuesday 11 October 2016**  
**Elaxon, 350 Euston Road, London NW1 3AW**

**Attendees**

Andrew Meaden	(AM)	Dentons
Andy Miller	(AMi)	Xoserve
Azeem Khan*	(AK)	RWE npower
Bob Fletcher (Chair)	(BF)	Joint Office
Caroline Powell	(CP)	British Gas
Chris Warner	(CW)	National Grid Distribution
Colette Baldwin	(CB)	E.ON
David Mitchell	(DM)	Scotia Gas Networks
David Tennant	(DT)	Dentons
Debbie Mulinganie*	(DM)	BP
Eamon Hannaway	(EH)	CNG
Gareth Evans	(GE)	Waters Wye Associates
Jeremy Guard	(GG)	First Utility
Karen Visgarda (Secretary)	(KV)	Joint Office
Mark Jones	(MJ)	SSE
Michael Walls*	(MW)	ES Pipelines
Milly Nyeko*	(MN)	Ofgem
Natasha Hobday	(NH)	First Utility
Richard Pomroy	(RP)	Wales & West Utilities
Sean McGoldrick	(SMc)	National Grid NTS
Sue Hilbourne*	(SH)	Scotia Gas Networks
Terry Burke	(TB)	Statoil

\*via teleconference

Copies of all papers are available at: <http://www.gasgovernance.co.uk/0565/111016>

The Workgroup Report is due to be presented at the UNC Modification Panel during November 2016.

**1.0 Introduction and FGO Framework**

BF welcomed all to the meeting.

CWa introduced the topics for discussion, explaining that a significant amount of work had been undertaken not only regarding the Legal Text but also in relation to the other UNC related documents, and he wanted to offer his thanks to all involved.

**2.0 Approach to the sequencing of UNC/DSC changes in conjunction with Project Nexus arrangements**

DT explained the approach and overviewed the *FGO: Structure of DSC* document which was a schematic of the approach, showing the how the Data Services Contract (DSC) and the Uniform Network Code (UNC) were constructed and interacted.

DT then moved on to explain the schematic of the *FGO –Drafting Approach for 01 April 2017* and the drafting process to be adopted for pre and post Nexus.

**3.0 General Terms (GT)**

DT explained the changes and amendments regarding the '***FGO – UNC Drafting***

**General Terms – Section D – CDSP AND UK LINK**’ document had been made either to add greater explanation of what was required or to include at the request of Ofgem. He explained that in certain sections text had been added to provide clarification and he added that some slight amendments were still likely to be required.

He overviewed the *Introduction section in 1.1* and explained that extra text had been added into section 1.1.4 from the perspective of Code. Moving on, he overviewed the *1.3 CDSP Services* section, together with the *1.4 Agreement – to engage the CDSP and be party to DSC*. Regarding this point AMa, sought clarification in respect of what were the ‘appeal process’ as he said this point read as though the appeal to the Authority was the first stage. DT said this was not the case and there was a formal appeals process detailed later in this documents and the DSC document, but that he would re-word this section to avoid confusion.

DT then ‘stepped through’ the following section: *1.5 Relevant Licence Provisions*, and a lengthy general discussion took place as to when the Licence Conditions changes were going to be published/made available for parties to view. CWa said he would raise this point at the Modification Panel next week on 20 October 2016 to request an update from Ofgem as he felt this was significant in terms of parties interpretation of the regime.

DT continued to move through the document highlighting slight amendments or changes in the following sections:- 1.6 Trader Users, 1.7 Further provisions in relation to CDSP, 2.2 Agency Services, 2.3 Direct Service which are Code Services – further provisions applying in relation to the Code, 2.5 Amendment of DSC by Code Modification, 3. Data Services Contract, 1.3 The DSC Terms and Conditions, 3.1.4. The CDSP Service Documents, 4. DSC Committees. In relation the to DSC Committees point, DT said that the point as detailed below, needed more discussion and amendments to some for wording. Point 4.1.6 *A DSC Committee may decide to refer a matter (within the scope of its functions, powers and duties) to the other DSC Committee, but otherwise neither DSC Committee is subordinate to the other.*

DT then moved on to sections 4.2 Constitution of DSC Committees, 4.3 Voting Arrangements, 4.3.3 Decision of a DSC Committee and 4.4 Proceedings of DSC Committees. In relation to this section a general discussion took place regarding the number of representatives/alternates and if this minimum number for quoracy was sufficient, in order for important and timely decisions to be made and ensuring a meeting was representative of the industry. GE was concerned that decisions need to be made on the basis of more than one constituency of a Customer group being present. CB agreed provided it could be demonstrated that parties not attending a meeting could not frustrate the process. BF proposed a 3-3-7, i.e: at least 3 Shippers, 3 Transporters and a minimum of 7 Votes members present, this proposal was agreed and DT said he would amend the wording accordingly to reflect this decision.

DT then overviewed section 4.5 Appeal, and a lengthy general discussion took place surrounding the Appeals process and the point 4.5.3. *A Customer or Customers of a Customer Class may, within [ten Business Days] after the publication of a decision of a DSC Committee, give notice to the Committee Secretary of appeal of the decision, if [one or more of] [a majority of] the Committee Representatives of that Customer Class voted against the decision.* Following the discussion, DT agreed to amend the wording slightly in relation to the discussion points. CB asked what role Ofgem undertook within the appeals process and whether they were the Regulator or the Arbitrator, as the later status meant that the Ofgem decision could not be appealed. DT said he would investigate this matter further and confirm.

DT moved on to point 4.5.12. *If the Authority notifies the Committee Secretary that the Authority considers that the matter subject to the appeal is not appropriate to be decided by it (and accordingly that it has not addressed the questions in paragraph 4.5.9(c)), then:*

- (a) the original decision of the DSC Committee shall lapse;*
- (b) the DSC Committee shall decide the relevant matter again, having regard to any additional information or representations of Parties available to it since its original decision;*
- (c) the decision of the DSC Committee under paragraph (b) is final and may not be appealed*

AL wanted to know what the process was from an appeal aspect, as to who would be liable for

the costs incurred on behalf of the Industry before the completion or end of the appeal process – there were concerns that the CDSP may challenge all appeals, as they were not subject to the risk of failure. AMi explained that given the scale of the process, this would most likely be minimal from a costing perspective to the industry but the risk would fall to CDSP customers.

DT then reviewed the rest of the document drawing attention to amendments or changes as appropriate.

DT overviewed the ***GT D – Annex D-2 Committee Representatives*** document, overviewing the 2. *Appointment* and 2.1 *Classes of Shipper User Groups*, 2.2 *Shipper User Representative sections*. A general discussion took place regarding the nomination and election process, specifically regarding Class A, Class B and Class C. Following a lengthy debate it was agreed that DT would amend the wording to encompass the Shipper User Nomination criteria to add clarity. He then moved on to overview point 3. *Retirement*, this section was also initiated further discussion and it was felt this area needed more detail, as it presently could lead to confusion or a misunderstanding of the retirement process. DT agreed he would amend this section accordingly.

DT overviewed the ***Modification 0565 (Central Data Services Provider – General Framework and Obligations) – Legal Text Changes to Uniform Network Code*** document, drawing attention to *TDP Section B: System Use and Capacity*. A general discussion took place surrounding Agency Codes and Agency Functions and it was agreed that more detail was required regarding these two areas. CWa agreed to provide this.

Likewise, it was agreed that the area of UNC related or referenced documents need to be reviewed and updated, including the AUGS framework. AL requested that this activity was added to the Issues Log. CWa confirmed this would be noted and actioned as requested.

**New Action 0565/1004: National Grid Distribution (CWa) to provide clarity regarding Service Lines and Agency Functions to ensure there clear identification of responsibility.**

**New Action 0565/1005: National Grid Distribution (CWa) to add to the Issues Log that the UNC related or referenced documents need to be reviewed and updated based on the FGO regime.**

DT continued to ‘step through’ the document drawing attention to amendments and changes as required, most of which were reference changes.

Concerning point 6.4.6 *No Transporter shall be responsible, and the CDSP shall not be responsible, for any unauthorised use or disclosure by a User Agent of information relating to the appointing User (whether or not obtained, in the case of a UK Link User Agent, in its capacity as UK Link User).*

A general discussion took place regarding who would have the authority to post and publish confidential information. CWa said he would investigate what would happen if a User obtained and published confidential or sensitive information that was provided to it in error.

**New Action 0565/1006: National Grid Distribution (CWa) to confirm the procedure if a User obtained and published confidential or sensitive information that was provided to it in error.**

DT then moved on to point 16.1.1 *For the purposes of the Code:*

(a) ***“LDZ Settlement Related Obligations”*** means obligations under the Code, including obligations undertaken by the CDSP by way of Direct Functions [or as Agency Functions] on behalf of the DNOs, the standard of performance of which (including any delays or failures in the performance of which) has, or may have, a material impact on the following matters:

- (i) *the quantities of gas treated as offtaken from Local Distribution Zones;*
- (ii) *the quantities of gas treated as delivered at LDZ System Entry Points; or*
- (iii) *reconciliations and adjustments in respect of gas offtaken from Local*

*Distribution Zones and/or delivered to LDZ System Entry Points.*

*For the avoidance of doubt, LDZ Settlement Related Obligations shall not include any obligations relevant to the determination of the quantities of gas delivered or treated as delivered to the NTS or from the NTS to any LDZ;*

It was agreed that both DT and AMi should discuss the Performance Assurance aspects in relation to the above point and amend the wording accordingly.

**New Action 0565/1007: Xoserve (AMi) to confirm if in the context of Performance Assurance if point 16.1.1 is a Direct Function and Agency Services.**

DT then continued to overview the rest of the document highlighting specific areas of interest as appropriate.

#### **4.0 Transportation Principal Document (TPD).**

DT explained the changes in the specific sections as detailed below:-

##### **Section G**

**ANNEX A - pre-nexus version,**

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT**

**SECTION G – SUPPLY POINTS**

DT explained that some amendments and changes had been made and that some individuals had sent their comments via email and these had been noted and would be taken into consideration for the next draft of this document. He also said that where the system had been built with set actions, the contractual discretions had now been removed from the document.

##### **Section H**

**ANNEX B - pre-nexus version**

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT**

**SECTION H – DEMAND ESTIMATION AND DEMAND FORECASTING**

DT overviewed the changes and amendments within the document and explained that minimal changes had been made.

##### **Section M**

**ANNEX C - pre-nexus version**

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT**

**SECTION M – SUPPLY POINT METERING**

DT overviewed the changes within the document and explained that minimal changes had been made.

#### **5.0 Transition Document (TD)**

DT highlighted the changes that had been included in this document, explaining that further detail would be provided in the DSC Transitional Arrangements, both for the pre Nexus and post Nexus text as relevant. The DSC Transitional Arrangements was on the agenda for discussion at 18 October 2016 meeting.

#### **6.0 Modification Rules**

DT explained the changes that had been made to the document and again reiterated that these changes had been minimal. There was a general discussion concerning the requirement for the CDSP to request permission from Panel should it not want to attend a Workgroup or other related meeting. CB was concerned that no other parties were obliged to attend meetings in this way and was Panel the right group? However, AMi felt this was of benefit to

the industry so that they could rely on the CDSP being present at meetings and therefore avoid any potential frustration of the Change Process.

## 7.0 Review of outstanding actions –

**0565/0908:** CWa National Grid Distribution to investigate whether the CDSP would act as an agent for Transporter when receiving an update to the C&D Store from a meter installer.

**Update:** Deferred until 26 October 2016 meeting. **Carried forward.**

**0565/0909:** CWa National Grid Distribution to reflect on the process regarding data flows and meter reading in reference to Modification 0455.

**Update:** Deferred until 26 October 2016 meeting. **Carried forward.**

**0565/0910:** CWa National Grid Distribution to look at the UK Link User Agreement in relation to what it requires existing Trader Users to sign up to.

**Update:** Deferred until 26 October 2016 meeting. **Carried forward.**

**0565/0911:** CWa to arrange for a draft UK Link User Agreement to be made available for review.

**Update:** Deferred until 26 October 2016 meeting. **Carried forward.**

**0565/0912:** Shippers to provide feedback regarding if they want this retained as a Transporter function.

**Update:** Deferred until 26 October 2016 meeting.

**0565/1001:** Xoserve (MC) to publish the DSC Credit Rules by close of play on Friday 14 October 2016.

**Update:** New Action from 03 October 2016. Deferred until 26 October 2016. **Carried forward.**

**0565/1002:** Xoserve (MC) to review the Credit Policy process, to provide clarity in respect of issuing the notice to the Transporters regarding a default.

**Update:** New Action from 03 October 2016. Deferred until 26 October 2016. **Carried forward.**

**0565/1003:** National Grid Distribution (CWA) to discuss with MB the area of indebtedness and how this would be linked to the Charging Methodology in relation to contractual exposure.

**Update:** New Action from 03 October 2016. Deferred until 26 October 2016. **Carried forward.**

## 8.0 Next Steps

BF said that he wanted to once again remind everyone of the importance of the completion of the suite of documents in readiness for the Workgroup Report on 26 October 2016. He advised that excluding legal text review meetings on 17 and 18 October, there were now only 3 more meetings left to complete the Workgroup Report in time for an early November Panel meeting.

DT said the updated UNC documents would be completed and published by close of play Friday 21 October 2016 for a final review on 26 October.

## 9.0 Diary Planning

Further details of planned meetings are available at: [www.gasgovernance.co.uk/Diary](http://www.gasgovernance.co.uk/Diary)

Time/Date	Venue	Workgroup Programme
10.00 Friday 14 October 2016	Consort House, 6 Homer Road Solihull B91 3QQ	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> <li>Review DSC Service Lines</li> </ul>

10:00 Monday 17 October 2016	Dentons, One Fleet Place, London EC4M 7RA	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> <li>• Framework Agreement</li> <li>• DSC Terms and Conditions</li> <li>• Credit Policy</li> <li>• Contract Management</li> </ul>
10:00 Tuesday 18 October 2016	Dentons, One Fleet Place, London EC4M 7RA	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> <li>• Services</li> <li>• Budget and Charging Methodology</li> <li>• Change Management</li> <li>• Third Party Services</li> <li>• Transitional Arrangements including financial transition</li> </ul>
10:00 Wednesday 26 October 2016	Elxon, 4 <sup>th</sup> Floor, 350 Euston Road, London NW1 3AW	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> <li>• Finalise Workgroup Report</li> </ul>
10:00 Tuesday 01 November 2016	Elxon, 4 <sup>th</sup> Floor, 350 Euston Road, London NW1 3AW	FGO Workgroup and Workgroup 0565 <ul style="list-style-type: none"> <li>• Finalise Workgroup Report</li> </ul>

#### Workgroup 0565 (as at 11 October 2016)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
<b>0565/0908</b>	29/09/16	2.0	CWa National Grid Distribution to investigate whether the CDSP would act as an agent for Transporter when receiving an update to the C&D Store from a meter installer.	National Grid Distribution (CWa)	<b>Carried forward</b> (Due 26 Oct 16)
<b>0565/0909</b>	29/09/16	2.0	CWa National Grid Distribution to reflect on the process regarding data flows and meter reading in reference to Modification 0455.	National Grid Distribution (CWa)	<b>Carried forward</b> (Due 26 Oct 16)
<b>0565/0910</b>	29/09/16	2.0	CWa National Grid Distribution to look at the UK Link User Agreement in relation to what it requires existing Trader Users to sign up to.	National Grid Distribution (CWa)	<b>Carried forward</b> (Due 26 Oct 16)

<b>0565/0911</b>	29/09/16	2.0	CWa to arrange for a draft UK Link User Agreement to be made available for review.	National Grid Distribution (CWa)	<b>Carried forward</b> (Due 26 Oct 16)
<b>0565/0912</b>	29/09/16	2.0	Shippers to provide feedback regarding if they want this retained as a Transporter function	All Shippers	<b>Carried forward</b> (Due 26 Oct 16)
<b>0565/1001</b>	03/10/16	2.0	Xoserve (MC) to publish the DSC Credit Rules by close of play on Friday 14 October 2016.	Xoserve (MC)	<b>Carried forward</b> (Due 26 Oct 16)
<b>0565/1002</b>	03/10/16	2.0	Xoserve (MC) to review the Credit Policy process, to provide clarity in respect of issuing the notice to the Transporters regarding a default.	Xoserve (MC)	<b>Carried forward</b> (Due 26 Oct 16)
<b>0565/1003</b>	03/10/16	2.0	National Grid Distribution (CWa) to discuss with MB the area of indebtedness and how this would be linked to the Charging Methodology in relation to contractual exposure.	National Grid Distribution (CWa)	<b>Carried forward</b> (Due 26 Oct 16)
<b>0565/1004</b>	11/10/16	3.0	National Grid Distribution (CWa) to provide clarity regarding Service Lines and Agency Functions to ensure there clear identification of responsibility.	National Grid Distribution (CWa)	<b>Carried forward</b> (Due 26 Oct 16)
<b>0565/1005</b>	11/10/16	3.0	National Grid Distribution (CWa) to add to the Issues Log that the UNC related or referenced documents need to be reviewed and updated based on the FGO regime.	National Grid Distribution (CWa)	<b>Carried forward</b> (Due 26 Oct 16)
<b>0565/1006</b>	11/10/16	3.0	National Grid Distribution (CWa) to confirm the procedure if a User obtained and published confidential or sensitive information that was provided to it in error.	National Grid Distribution (CWa)	<b>Carried forward</b> (Due 26 Oct 16)
<b>0565/1007</b>	11/10/16	3.0	Xoserve (AMi) to confirm if in the context of Performance Assurance if point 16.1.1 is a Direct Function and Agency Services.	Xoserve (AMi)	<b>Carried forward</b> (Due 26 Oct 16)