

## **New Standard Special Condition:**

### **Standard Special Condition A15A: (Central Data Service Provider) ~~[New condition]~~**

#### **Introduction**

- ~~1.~~ 1. The purpose of this condition is to provide for the appointment of a "central data service provider ("~~the Provider~~CDSP") and to set out the obligations with which the licensee must comply with respect to the establishment and the ongoing operation of the ~~Provider~~CDSP.
- ~~2.~~ 2. This condition sets out:
  - (a) the minimum obligations of the licensee with respect to ~~appointing the Provider~~the appointment of the CDSP (Part A);
  - (b) the minimum obligations of the licensee with respect to the ~~Provider~~CDSP being in place by 1 April 2017 (or such later date as the Authority may direct) (Part B); and
  - (c) the minimum obligations of the licensee with respect to the appointment and the ongoing operation of the ~~CDSP-Provider~~ (Part C). Part C of this condition comes into effect on 1 April 2017 (or such later date as the Authority may direct).
- ~~3.~~ 3. The licensee shall, together with other gas transporters ("~~relevant gas transporters~~")Relevant Gas Transporters"), ensure that the ~~Provider~~CDSP is appointed in accordance with Part A below. The licensee shall, together with ~~relevant gas transporters~~Relevant Gas Transporters, also ensure that the ~~Provider~~CDSP is established and is operated in accordance with Part B of this condition by 1 April ~~2017, 2017~~ (or such later date as the Authority may direct). On that date, Standard Special Condition A15 (Agency) will cease to have effect in accordance with paragraph ~~[1A]~~ of that condition.

#### **Part A: Obligations of the licensee in appointing the ~~Provider~~CDSP**

- ~~4.~~ 4. The licensee shall, together with ~~relevant gas transporters~~Relevant Gas Transporters, appoint the ~~Provider~~CDSP to provide ~~central data service provider~~ ("~~CDSP~~") ~~services and systems~~ (together referred to as "~~CDSP s~~Services") ~~as~~ in compliance with the minimum requirements set out in Part A of this condition. This appointment shall be made and the ~~Provider~~CDSP shall be operational from 1 April 2017 (or such later date as the Authority may direct).
- ~~5.~~ 5. ~~The~~ By 1 April 2017 (or such later date as the Authority may direct), the licensee shall, together with ~~the other relevant gas transporters~~Relevant Gas Transporters, ensure that:
  - (a) the ~~Provider~~CDSP's constitution includes a provision for the appointment of directors nominated by ~~users~~Relevant Users of ~~the~~CDSP sServices other than ~~the relevant gas transporters~~Relevant Gas Transporters (such users being "Non-RGT ~~u~~Users");
  - (b) Non-RGT ~~u~~Users' representatives are given the opportunity to participate in the contract management and change management process related to the ~~services~~CDSP Services and are given the opportunity to participate in the decision making process in respect of matters that will have an effect on the appointment and ongoing operation of the

~~Provider~~CDSP from 1 April 2017 (or such later date as the Authority may direct);

- (c) the ~~Provider~~CDSP consults with, and takes due regard of responses by Non-RGT ~~u~~Users in respect of the business plan and budget for CDSP ~~s~~Services in respect of the financial year commencing 1 April 2017 and subsequent years thereafter.

~~6.6.~~ The licensee shall, together with ~~r~~Relevant ~~g~~Gas ~~t~~Transporters, raise and progress modifications to the UNC so that the UNC sets out from 1 April 2017 (or such later date as the Authority may direct):

(a) ~~(a)~~ a requirement that the licensee, each ~~other relevant gas-transporter~~Relevant Gas Transporter and (as a condition of being a party to the UNC) each other user of CDSP ~~services~~Services as such users may be defined in the UNC (to the extent such other users of the CDSP ~~s~~Services are bound by the UNC) be party to a service agreement with the ~~Agent (the "Data Services-Contract" or "DSC"~~CDSP ("the CDSP Service Agreement"));

(b) ~~(b)~~ a classification of CDSP ~~s~~Services, including those which are required to be used by ~~r~~Relevant ~~g~~Gas ~~t~~Transporters, gas shippers and other parties to the UNC;

(c) ~~(c)~~ obligations on the licensee and other users of CDSP ~~s~~Services ~~(to the extent such other users of the CDSP services are bound by the UNC)~~Services are required to be party to the CDSP Service Agreement (the licensee and such other users collectively being "Relevant Users of CDSP Services") to:

(i) jointly control and govern the ~~Provider~~CDSP on an economic and efficient basis;

(ii) use or procure the use of CDSP ~~s~~Services, as set out in the UNC from the ~~Provider~~CDSP;

(iii) ~~enter into a service agreement with the CDSP (the "CDSP service-agreement") and to~~ keep the CDSP ~~s~~Service ~~a~~Agreement under review to ensure it continues to comply with the relevant sections of the UNC; and

(iv) pay for CDSP ~~services used~~Services in accordance with the charging statement prepared by the ~~Provider~~CDSP ("the ~~Provider~~CDSP ~~c~~Charging ~~s~~Statement"); and

~~(d)~~ ~~(d)~~ a process enabling a ~~user~~Relevant User of CDSP ~~s~~Services to appeal the ~~Provider's annual budget~~CDSP Annual Budget (as defined in paragraph ~~7~~8(c)) by issuing a notice to the Authority in writing. The circumstances under which such notice can be issued are to be limited to where that party considers the ~~Provider's annual budget~~CDSP Annual Budget to not be fit for purpose for the ~~Provider~~CDSP to be able to fulfil its obligation specified in paragraph 7 (b) of this condition.

## **Part B: Minimum obligations relating to the ~~Provider~~CDSP**

~~7.7.~~ The licensee shall, together with ~~r~~Relevant ~~g~~Gas ~~t~~Transporters, ensure that by 1 April 2017 (or such later date as the Authority may direct) the ~~Provider~~CDSP shall:

(a) be a company under the joint ownership of the licensee and of ~~the other relevant gas transporters~~Relevant Gas Transporters;

(b) be a company the purpose of which (except where the Authority consents otherwise in writing) is to provide CDSP ~~s~~Services and which shall not return a profit (except where the Authority consents otherwise in writing) (whether income or capital) through its share capital and shall set out within its articles of association a prohibition on the distribution of profits and declaration of dividends (save for dividends in respect of profits relating to periods prior to 1 April 2017 or such later date as the Authority may direct); and

(c) be a company jointly controlled and governed by the licensee and by ~~other~~Relevant uUsers of ~~the~~CDSP ~~s~~Services. This must be reflected in the ~~company~~CDSP's articles of association, which at a minimum shall require:

(i) a provision for the appointment and removal of directors of the CDSP by the licensee and by other ~~users~~Relevant Users of ~~the~~CDSP ~~s~~Services on a transparent and equitable basis;

(ii) a provision for the licensee, together with ~~the other relevant gas transporters~~Relevant Gas Transporters, to require the CDSP to make changes to the CDSP ~~a~~Annual ~~b~~Budget where the Authority requires such changes to be made pursuant to the powers given ~~to the~~to the Authority in paragraph ~~11~~13 of this condition.

~~8.8.~~8.8. The licensee shall, together with ~~r~~Relevant gGas ~~t~~Transporters, ensure that by 1 April 2017 (or such later date as the Authority may direct) the ~~service agreement~~CDSP Service Agreement includes obligations on the CDSP ~~Provider~~to:

~~(a)~~(a) provide or otherwise procure ~~the~~CDSP ~~s~~Services which shall include services required in the UNC for ~~r~~Relevant gGas ~~t~~Transporters, gas shippers and other ~~users~~Relevant Users of ~~the~~CDSP ~~s~~Services;

~~(b)~~(b) provide or otherwise procure CDSP ~~s~~Services effectively to help facilitate the efficient and integrated operation of the gas industry;

~~(c)~~(c) produce, in consultation with ~~users~~Relevant Users of ~~the~~CDSP ~~s~~Services, and publish an annual budget in respect of the ~~appointment and ongoing operation of the Provider ("the Provider's annual budget")~~delivery of CDSP Services ("the CDSP Annual Budget");

~~(d)~~(d) publish and keep under review a charging methodology, as ~~set out in required by~~ the UNC, and ~~the Provider's charging statement, setting out those charges where the aim of both is to recover the Provider's annual budget~~publish and keep under review the CDSP Charging Statement, setting out the scope of CDSP Services and user pays services and its charges calculated in accordance with the charging methodology, both of which:

(i) shall aim to recover the CDSP Annual Budget (as amended pursuant to any direction from the Authority);

(ii) shall facilitate the objective of economic, efficient and transparent charging for the provision of the CDSP ~~services (the "charging methodology objective")~~Services and will achieve the "Charging Methodology Objectives";

(e) The "Charging Methodology Objectives" means the following objectives –

- (i) that compliance with the charging methodology results in charges which reflect the costs incurred by the CDSP for the provision of the CDSP Services;
- (ii) that, so far as is consistent with sub-paragraph (a), the charging methodology properly takes account of developments in the provision of CDSP Services;
- (iii) that, so far as is consistent, compliance with the charging methodology facilitates effective competition between gas shippers and between gas suppliers;
- (iv) compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

(f) notify the Authority in writing if it increases its charges during a financial year; and

~~(g)~~ (g) amend the ~~Provider's annual budget~~ CDSP Annual Budget when directed to do so by the licensee, together with ~~the other relevant gas transporters~~ Relevant Gas Transporters, where the Authority requires such changes to be made pursuant to the powers given to it in Part C of this condition.

9. Any modification of the charging methodology shall comply with the requirements of the network code modification procedures as defined in Standard Special Condition A11 (Network Code and Uniform Network Code).

10. In this condition:

"user pays services"

means the services set out and described as such in the CDSP Charging Statement prepared in accordance with paragraph 8 of this condition.

### **Part C: Obligations of the licensee with respect to the ongoing operation of the CDSP**

~~9.~~ 11. Where the Authority receives a notification under paragraph 6(~~b~~d) of this condition it shall decide whether there are grounds for appeal.

~~10.~~ 12. While the Authority is considering whether there are grounds for appeal the ~~Provider's annual budget~~ CDSP Annual Budget under appeal shall continue to be in effect.

~~11.~~ 13. If having made its assessment the Authority decides that the appeal should be allowed it shall issue a direction to every licensee in whose licence this condition has effect requiring the licensee to require the ~~Provider~~ CDSP to make changes to the ~~Provider's annual budget~~ CDSP Annual Budget as set out in its direction.

~~12.~~ 14. The direction, issued under paragraph ~~11,~~13, will state:

(a) the value of the amended ~~Provider's annual budget~~ CDSP Annual Budget that is to apply;

- (b) the years in respect of which the amended CDSP ~~a~~Annual ~~b~~Budget applies; and
- (c) any other conditions relating to the ~~Provider's annual budget~~CDSP Annual Budget that the Authority deems appropriate to impose of the relevant licensees.

~~13-15.~~ Prior to issuing a direction under paragraph ~~11~~13 of this condition the Authority shall:

- ~~(a)~~(a) give notice to all licensees, in whose licence this condition has effect, and other users of CDSP ~~s~~Services that it proposes to issue the direction:
- (i) specifying the date on which it proposes that it should have effect;
  - (ii) setting out the text of the proposed direction and the Authority's reasons for proposing it; and
  - (iii) specifying the time (which must not be a period of less than 28 days from the date of the notice) within which representations or objections with respect to the proposal may be made; and
- ~~(b)~~(b) consider any representations or objections in response to the notice that are duly received and not withdrawn.

## Annex C

~~Standard Special Condition A15: Agency [Modification to existing condition] [insert below paragraph 1] or [insert new paragraph 11A]~~ 1A. On 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph [3] of Standard Special Condition A15A) this condition will cease to have effect. **Proposed modifications to existing Standard Special Conditions<sup>1</sup>:**  
**Annex 3—consequential licence changes**

The existing conditions will apply until 31 March 2017. Changes will come into effect on 1 April ~~2017, 2017~~ (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A).

### **STANDARD SPECIAL CONDITIONS APPLICABLE TO BOTH NTS AND DN LICENSEES: PART A**

#### **Standard Special Condition A15: Agency [Insert below paragraph 1]**

1A On 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) this condition will cease to have effect.

1B The existing conditions will apply until 31 March 2017.

#### **Standard Special Condition A12: Joint Office Governance Arrangements-** ~~[Modification to existing condition]~~

1 (a)(iii) The administration of such matters as are provided for in the uniform network code to be implemented by the relevant gas transporters on a common,

<sup>1</sup> We will consider whether any changes are required to Standard Licence Condition 11 (Agency) in the Independent Gas Transporters licence after Project Nexus has been implemented

joint or coordinated basis, ~~consistent with the provisions of Standard Special Condition A15A (Agency) (formerly Standard Special Condition A15);~~

**Standard Special Condition A14: Availability of Data Formats** ~~[Modification to existing condition]~~

1. Where the licensee uses standard file formats for transferring data, for any purposes set out in the network code, between any persons identified in such network code as appropriate persons for the receipt of the data, it shall:—

(a) make those standard file formats and associated definitions of data items available, free of charge, to gas shippers and other gas transporters for their use in connection with their licensed activities; and

(b) comply with its obligations under the network code and the AS agreement (as defined in Standard Special Condition A15 ~~A (Agency) (formerly (Agency))~~ until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and the CDSP Service Agreement (as defined in Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) in this regard.

**Standard Special Condition A31: Supply Point Information Service** ~~[Modification to existing condition]~~

1. The licensee shall establish, or procure the establishment of, and subsequently operate and maintain, or procure the subsequent operation and maintenance of, an information service (the "supply point information service") consistent with its obligations under Standard Special Condition A15 ~~A (Agency) (formerly Standard (Agency) until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A)~~.

**Standard Special Condition A48: Last Resort Supply: Payment Claims** ~~[Modification to existing condition]~~

16. For the avoidance of doubt, the arrangements for administering increases to transportation charges in order to compensate any gas supplier which claims for losses that it has incurred in complying with a last resort supply direction, under the provisions of this condition, shall be administered by the agency (as defined in Standard Special Condition A15 ~~A (Agency) (formerly until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15- (Agency)A) and the Central Data Service Provider (as defined in Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A)~~), unless the Authority otherwise consents in writing.

**SPECIAL CONDITIONS APPLICABLE TO THE LICENSEE (DN): PART E** ~~RDN~~

**Special Condition 1A. Restriction of revenue in respect of the Distribution Network**

**Transportation Activity: definitions**

Definitions in alphabetical order

1A.4 In Part E of the Special Conditions, unless the context otherwise requires:

**Agency Costs** ~~means costs incurred, or expected to be incurred by the Licensee for the purposes of meeting its obligations under Standard Special Condition A15 A (Agency) (formerly Standard Special Condition A15).~~

**CDSP Costs** means costs incurred, or expected to be incurred by the Licensee for the purposes of meeting its obligations under Standard Special Condition A15A (Central Data Services Provider)

#### **Special Condition 4C. Services treated as Excluded Services**

4C.10 Subject to Part D of this condition, Excluded Services will include, but not be limited to, the following services:

(e) ES5. User pays agency services: this category consists of the provision of "user pays" services or systems as set out in the Network Code, by the agency referred to in Standard Special Condition A15 (Agency) of the licence until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and the Central Data Service Provider referred to in Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A);

### **SPECIAL CONDITIONS TO NATIONAL GRID GAS PLC'S (NTS) GAS TRANSPORTER LICENCE**

#### **Special Condition 1A. Definitions**

Definitions in alphabetical order

1A.4 In the Special Conditions, unless the context otherwise requires:

**CDSP Costs** means costs incurred, or expected to be incurred by the Licensee for the purposes of meeting its obligations under Standard Special Condition A15A (Central Data Services Provider)

#### **Special Condition 11C. Services treated as Excluded Services**

11C.10 Subject to Part D of this condition, Excluded Services will include, but not be limited to, the following services:

ES6. User pays agency services: This category consists of the provision of 'user pays' services or systems as set out in the Network Code, by the Agency referred to in Standard Special Condition A15 (Agency) until 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A) and the Central Data Service Provider referred to in Standard Special Condition A15A (Central Data Services Provider) from 1 April 2017 (or such later date as the Authority may direct pursuant to paragraph 3 of Standard Special Condition A15A);

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