

UNC Workgroup 0673 Minutes

Amendment of UNC and DSC arrangements to enable Xoserve to bid for and provide CSS Services

Friday 26 October 2018

at Xoserve Limited, Lansdowne Gate, 65 New Road, Solihull, B91 3DL

Attendees

Bob Fletcher (Chair)	(BF)	Joint Office
Helen Bennett (Secretary)	(HB)	Joint Office
Andy Miller	(AM)	Xoserve
Chris Warner	(CW)	Cadent
David Tennant*	(DT)	Dentons
Edward Fyfe*	(EF)	SGN
Emma Lyndon	(EL)	Xoserve
Jenny Rawlinson*	(JR)	The Gas Transportation Company Ltd
Mark Rixon*	(MR)	Engie
Mark Jones*	(MJ)	SSE
Phil Lucas	(PL)	National Grid NTS
Richard Pomroy*	(RP)	WWU
Tracey Saunders*	(SK)	NGN

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0673/261018

- 1.0** Bob Fletcher (BF) introduced the meeting and advised that Emma Lyndon (EL) has been nominated to represent the proposer Steve Mulinganie.

2.0 Outline of Modification

EL introduced the modification and explained that its purpose is to create the arrangements within the Uniform Network Code (UNC) and the Data Services Contract (DSC) by which Xoserve can provide services to the Data Communication Company (DCC) i.e. operate as the central switching system service provider.

Talking through the solution, EL clarified the justification for the urgent status for this modification by explaining that in order to progress further in the procurement process to the Best and Final Offer (BAFO) stage in December 2018, Xoserve are required to be in a position whereby it can confirm it is able to enter into the contract with the DCC at the time of the BAFO submissions in early December. Therefore, this modification is required to be implemented by 30 November 2018.

When asked for clarification of the charging liability, Andy Miller (AM) confirmed that the charging liability would be a charge out to Shippers. He also confirmed that DCC still have the obligation to perform interaction services regardless of who they are assigned to.

Richard Pomroy (RP) expressed his disappointment that this modification has been raised with urgent status and said there should have been adequate time to discuss it using the standard modification process. Also, he suggested there should be something on Business Separation within Xoserve put in to the modification and set out in the Legal text so that parties were aware the services were ringfenced.

3.0 Review Suggested Legal Text

David Tennant (DT) talked the Workgroup through the updates to be made to the following sections of Uniform Network Code:

- General Terms Section D
- CDSP Service Description Document
- Budget and Charging Methodology Document
- Transitional Arrangements Document

For full detail on all legal text amendments to be made to the Uniform Network Code, please see the changed marked documents published here: <http://www.gasgovernance.co.uk/0673>.

General Terms Section D

Changes to this document are mostly on pages 2 and 3.

Tracey Saunders (TS) advised that DCC is already a defined term in UNC Section V. The definition needs to be re-used from Section V or amended to make sure they align.

DT has agreed to re-visit paragraph (c) under section 2.1 Direct Services as it was mentioned that this might be a double negative.

Under section 2 - CDSP Services and Role of CDSP, DT advised that a new category of CSS Services has been added.

End of document review.

CDSP Service Description Document

The addition of CSS Services has been added to the Introduction Section 2.1.1.

A new section, 2.6 CSS Services has been added.

End of document review.

CDSP Service Document - Budget and Charging Methodology

DT highlighted the important definition of (i) under section 1.4.1 on page 2.

A new section 2.3 DCC Contract, which outlines the approach to costs and charges in respect to DCC:

- DCC Service Costs
- DCC Investment Costs

RP asked, in terms of Xoserve Change Management procedures, how is it to be ensured that any changes to CSS services don't impact on the core services, e.g. change prioritisation for UK Link. AM advised that the obligation in DSC is to deliver core services; a Cross Systems Impact assessment will need to be conducted and that there is no proposal to manage any change in isolation that might break something else in the chain.

RP then asked for clarification regarding priorities, he said that DSC Change Committee can prioritise change, but, that Committee might be told there is not enough band width or resources available, therefore, who governs the change prioritisation. AM advised that any CSS changes will be industry driven as by and large UNC parties are parties to REC, if there is a requirement to change UK Link, when the industry impact assessment is completed in the REC change, there will be a change required to UK Link.

AM clarified that this modification is setting out the DSC so that Xoserve can provide the services as a separate party but not a 3rd party service.

CW suggested that, specifically in the modification, considering how fundamental the charges are, this is an opportunity to make it clearer in the modification. He was still unsure how liabilities were to be identified and separated between the different customer types.

AM confirmed that the description and the solution in the modification, do specify that DCC charges are payable by Shipper Users and by definition Charges include CDSP costs and liabilities.

DT agreed to provide some wording for AM to insert in to the modification in order to improve the clarity of what Shipper Users will be liable to pay for.

A new section, 2.3 DCC Contract has been inserted.

RP suggested that the rule 2.3.3 in the Budget and Charging Methodology Document might be better placed in the DSC Terms and Conditions document under section 2.3. (e). DT said that he is writing the rule where it is most relevant.

A new section, 4.6 DCC related Charge Bases has been inserted.

4.6.1 (f) BF clarified with regards to the DSC Credit Committee, this is currently made up of predominately transporters. This Committee is poorly represented by Shippers at the moment.

It was confirmed that, as a CSS Service provider, this is providing services to the DCC. There is no recognition of gas or electricity customers within the document.

DT clarified that paragraph 4.6.5 allows CDSP to recover net investment costs over a shorter period.

He went on to explain that paragraph 8.1.1 is making clear the rules are defined, this is not to do with activities relating to DCC Contract change procedures.

When asked, it was confirmed there are to be no changes proposed to the DSC Credit Committee. There were concerns raised that Transporters might need to support the termination of a Shipper who failed to pay CSS Charges.

End of document review.

Transitional Arrangements Document

DT highlighted a new section has been inserted on page 21 Section 8.5 DCC Contract. PL noted that the National Grid Board Member fully expects to be included in the decision to enter into the contract and that this would not be made just on the decision of the BID Committee. DT will clarify the process for approval.

BF confirmed that the legal text or any amendments to the modification should be published by Wednesday 31 October to be available at the start of the consultation.

BF asked what the governance rules for the CSS Bid Group were and if these were unchanged and did parties understand their responsibilities. AM confirmed that the Bid Group rules would be unchanged for this process.

AM confirmed that he is not proposing any change to the way amendments are made to the DSC and that this modification is establishing the service, but this does not rule out a further modification being raised.

End of document review. This concluded the review of the Suggested Legal Text.

4.0 Next Steps

BF confirmed that the consultation will commence on 31 October 2018 and close at 5pm on 19 November 2018. The Modification Panel will convene on 22 November 2018 to discuss the consultation responses and consider whether to recommend the modification for implementation. A decision from Ofgem is expected by 30 November 2018.

BF confirmed the timetable:

Consultation commences	31 October 2018
Consultation Close-out for representations	19 November 2018

Final Modification Report available for Panel	20 November 2018
Modification Panel recommendation	22 November 2018
Ofgem decision	30 November 2018

BF confirmed that TS and DT will agree the final Legal Text for the modification and CW said that it is fundamental that the final Legal Text is provided ready for the consultation. It was confirmed that, if Legal Text is not provided in time for the consultation, Joint Office will inform the industry as soon as it is received and published.

The Consultation will commence with Suggested Legal Text and will be updated to final text once it is received.

Any amendments to the modification will be completed prior to Wednesday when the consultation opens.

5.0 Any Other Business

A final review of the modification was completed to see if there are any further questions:

RP highlighted that the modification suggests there are no Central System impacts, however, as a direct consequence of this modification, there would be a change to central systems.

AM will add a line in referring that UK Link will be the vehicle to deliver CSS services.

When looking through the Relevant Objectives, the workgroup agreed that (f) promotion of efficiency in the implementation and administration of the Code is the only objective that best fits and that many of the Xoserve modifications do not fit in to any of the relevant objectives.

AM suggested that the consultation representations can be used to question this section.