

UNC MODIFICATION PROPOSAL 0682

(Market Participant MDD Migration to UNC Governance from the SPAA)

Commentary on Legal Drafting

By virtue of the introduction into Section D (CDSP and UK Link) of the General Document of obligations on the CDSP to perform the Market Participant Identity Registration Services by way of a new section D6, those services will consist in the performance of functions assigned to the CDSP in the Code. Consequently, the Market Participant Identity Registration Service will be a CDSP Service as defined by Section D1.3.1 and specifically a core service as defined by Section D 1.3.1(a)(i).

The Modification Proposal specifies that the service will be a Direct Service (a service to be provided on the CDSP's own account), to be 100% funded by Shippers. Accordingly new Section D6.1.2 specifies that Market Participant Identity Registration Service will be a Direct Function. Consequently the service will be a Direct Service as defined by D1.3.6 as further specified at D2.1.1(a). As it falls within Section D 2.1.1(a) the service is also a Code Service (as defined by D1.3.5).

As a CDSP Service which is a Code Service the Market Participant Identity Registration Service is covered by Section D1.4.2, meaning that the service is governed by the DSC, and is subject to pay CDSP Charges as applicable to each Party in accordance with the DSC and the CDSP's Annual Charging Statement. As a Direct Service which is a Code Service the service is also covered by Sections D2.3 and 2.4.

Shippers' responsibility for paying for the service and the amount to be charged will need to be specified in the Annual Charging Statement as contemplated by Section D1.4.2(d) (revised appropriately as contemplated by Section D3.3.1(f)).

The new section D6 specifies the types of Market Participants whose identity needs to be recorded. The new category of Market Participant, as far as the Code is concerned is "Meter Asset Provider", a person who makes a Supply Meter Installation available for use by a supplier and consumer. This reflects the definition of the term in the Retail Energy Code. It appears to cover the provider of meters as referred to at Section M2.1.4 and the undefined term "Smart Meter system operator" in Section M Annex M-1. If necessary, the Market Participant Identity Verification Approach Document could make it clear that the Market Participant Identity Registration Services do not extend to the registration of persons such as landlords who could be construed as making Supply Meter Installations available for use to a consumer and his supplier. The reference to Section A1.5 of the Independent Gas Transporter Arrangements Document is so that the defined terms pick up any Market Participants who are only active in connection with IGT Systems.

As contemplated by the Modification Proposal, and as provided for by Section D5.2.1(f), new Section D6.1.4 provides for the incorporation into UK Link of the Market Participant Identity Verification Approach Document setting out the processes to be followed by the CDSP in connection with the Service. A Market Participant ID is defined as an unique code

identifying a Market Participant and the type (or types) of Market Participant that it is and such other information in relation to the Market Participant as is provided for, and in the form provided for, by the Market Participant Identity Verification Approach Document. The register of Market Participant IDs to be maintained by the CDSP is called the Market Participant Identities List. It should be noted that the Market Participant Identity Verification Approach Document should, as a transitional measure, make provision for the adoption of the Market Participant IDs currently allocated to Market Participants under the SPAA.

The Market Participant Identity Registration Services are defined as those services to be provided under the new Section D6. Specifically these are defined as maintaining the list of Market Participant IDs and making information available to non-User Market Participants so that they may acquire a Market Participant ID. Existing Section D2.3 enables Service Lines setting out more detailed specifications for the Market Participant Identity Registration Service to be included in the CDSP Service Description.