**Draft/28 July 2016**

**DSC SERVICE DOCUMENT**

**THIRD PARTY SERVICES POLICY**

***This outline policy is based on the assumption of a mutual CDSP model in which CDSP is 'not for profit or loss' and that is implemented in the arrangements with Core Customers (UNC Parties other than Trader Users). Core Customers, as 'economic owners' of the CDSP, bear the risk of CDSP losses (including losses arising from third party services) and benefit (through reduction in charges to Core Customers) from the revenues obtained from supply of third party services,***

***The main purpose of the policy is to protect and balance the interests of Core Customers in respect of the impact of third party services on core service provision, and in respect of the risk of losses or liabilities in the provision of third party services, as against the financial benefits of such services (through a contribution to CDSP fixed costs plus a margin).***

***This document is an outline of the policy and will be converted to legal drafting following discussion of the principles set out.***

Version: [ ]

Effective date: [ ]

# General

## **Introduction**

### This Document is the Third Party Services Policy referred to in Section GTD Paragraph 3.1.4 and Clause [ ] of the DSC Terms and Conditions and is a DSC Service Document.

### This Document is an integral part of and is incorporated in the DSC.

### The version of this Document which is in force, and the date from which it is in force, is as stated above.

## **Interpretation**

### In this Document:

#### **Uniform Network Code** or **UNC** means the Uniform Network Code [/];

#### a reference to Section GTB7 is to Section B7 of the General Terms of the Uniform Network Code;

#### **DSC Terms and Conditions** means the DSC Terms and Conditions as defined in and for the time being in force pursuant to TPD Section GTB7

#### terms defined in the DSC Terms and Conditions and not otherwise defined in this Document have the meanings given to them in the DSC Terms and Conditions;

#### terms defined in any other DSC Service Document and not otherwise defined in this Document have the meanings given to them in that DSC Service Document;

#### the further provisions of the DSC Terms and Conditions as to interpretation apply.

## In this Document the following terms have the following meanings:

## **Third Party Services** means [*to cover (a) services provided to any parties who are not Core Customers; and (b) services which are not DSC services and are available to Core Customers as third party services*];

## References to the Committee are to the Contract Management Committee.

## In the case of any conflict between the provisions of this Document and any other part of the DSC the provisions of the DSC Terms and Conditions as to priority apply.

## **Scope and purpose**

### The purpose of this Document is to:

#### Define the scope of Third Party Services which are or may be provided by CDSP;

#### Define the criteria under which CDSP can offer Third Party Services; and

#### Define the approvals required for CDSP to offer Third Party Services.

### This Document is organised as follows:

[ ]

## **Amendment**

### [*To set out basis of amendment – where relevant by reference to Change Control Procedures document.*]

# Third Party Service Criteria

## CDSP will be entitled (without prior approval of the Committee) to offer a service to any third party that meets the following criteria:

### is within or related to the UK gas or data management business;

### is within CDSP’s skill set;

### charges for the service will provide a contribution to fixed costs;

### does not pose an unacceptable risk to the delivery of core DSC Services, including because of [use or change of UK Link, use of data, use of CDSP resources];

### it is a CDSP service (within the meaning of the GT Licence Condition) or Ofgem has, on the application of the GTs, consented to the provision of the service;

### CDSP is legally entitled to provide the service;

### the Customer is legally entitled to receive the service;

### liabilities agreed in relation to the provision of the relevant service will not exceed [150%] of the charges payable for the relevant service. This does not apply to liabilities which can not be excluded or limited under law and any liabilities which [in the ordinary course of business] would not typically be limited;

### CDSP has assessed that it can resource and provide the service without significant risk of such liabilities arising;

### the service does not involve the disclosure of data which is confidential to other customers (unless they have consented to the disclosure);

### the total aggregate charges payable over the duration of the contract (“**Lifetime Contract Value**”) for the provision of the relevant services will not exceed [£100,000];

### [total charges under all third party services not more than [/]% of turnover];

### the duration of the contract does not exceed [/]; and

### the Credit Policy is applied to the third party under the contract.

## Provision to be added to set out basis on which CDSP can provide such services if the criteria in paragraph 2.1 are not met but the potential third party service has other benefits to CDSP or the Customers.

# Charging

## The charging principles for third party services are:

#### the cost allocation principles in the Budget and Charging Methodology are used to identify the cost of the service;

#### the service must be provided at a margin over those costs. The margin may vary depending on the contestability of the service and will reflect the CDSP's risk / liability under the contract;

#### the third party customer will not be expected to bear a share of any CDSP losses except those arising under the contract.