







Modification	At what stage is this document in the process?
<p>0XXX:</p> <p>Central Data Services Provider – Arrangements from implementation of Project Nexus</p>	<div style="display: flex; flex-direction: column; align-items: flex-start;"> <div style="border: 1px solid green; background-color: #00a651; color: white; padding: 5px; margin-bottom: 5px;">01 Modification</div> <div style="border: 1px solid blue; background-color: #e6f2ff; padding: 5px; margin-bottom: 5px;">02 Workgroup Report</div> <div style="border: 1px solid purple; background-color: #f2e6ff; padding: 5px; margin-bottom: 5px;">03 Draft Modification Report</div> <div style="border: 1px solid orange; background-color: #fff9e6; padding: 5px;">04 Final Modification Report</div> </div>
<p>This Modification identifies measures necessary to ensure the FGO arrangements implemented under Modification 0565/A/B are effective upon implementation of Project Nexus by aligning the services introduced by Modifications 0432, 0434 and 0440 to the CDSP direct and agency service structure</p>	
	<p>The Proposer recommends that this modification should be:</p> <ul style="list-style-type: none"> assessed by a Workgroup <p>This modification will be presented by the Proposer to the Panel on 15th December 2016. The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>
	<p>Medium Impact: Large and Small Transporters, Shipper Users and Transporter Agency.</p>

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Timetable		
The Proposer recommends the following timetable:		
Initial consideration by Workgroup	6 January 2017	
Workgroup Report presented to Panel	16 February 2017	
Draft Modification Report issued for consultation	16 February 2017	
Consultation Close-out for representations	09 March 2016	
Final Modification Report available for Panel	13 March 2017	
Modification Panel decision	16 March 2017	

1 Summary

What

Modification of the UNC is required to amend the Xoserve Funding, Governance and Ownership (FGO) arrangements planned to be introduced under UNC Modification 0565/A/B 'Central Data Service Provider –General framework and obligations'. This is to reflect changes necessary to reflect the Project Nexus regime to be implemented in Mid-2017.

Why

Subject to approval by the Authority, Modification 0565/A/B is planned to be implemented on 1st April 2017. This will be prior to the implementation of Project Nexus which will occur in mid-2017. Consequently Modification 0565/A/B does not reflect certain elements of the Nexus arrangements.

How

This Modification identifies measures necessary to ensure the FGO arrangements implemented under Modification 0565/A/B are effective upon implementation of Project Nexus by aligning the services introduced by Modifications 0432, 0434 and 0440 to the CDSP direct and agency service structure created by Modification 0565/A/B.

2 Governance

Justification for Urgency, Authority Direction or Self-Governance

Self-Governance procedures are not sought. This is because the Modification will have a material effect on UNC parties and Independent Gas Transporters (iGTs).

Requested Next Steps

This modification should:

- not be subject to self-governance
- be assessed by a Workgroup

The measures identified within this Modification Proposal, while material, are not extensive or complex. However, Workgroup assessment is necessary to ensure all commercial impacts of Project Nexus implementation on the proposed FGO arrangements are understood and complete.

3 Why Change?

At its meeting on 4th November 2016, the UNC Modification Panel determined that UNC Modification 0565 and its alternatives, 0565A and 0565B should be issued to consultation. The Modification identifies the proposed FGO arrangements required to be implemented on 1st April 2017. The UNC legal text has been written based on the prevailing version of the UNC i.e. that in place prior to the UNC regime planned to be implemented under Project Nexus in mid-2017. Upon Project Nexus implementation it will be necessary to make further small scale changes to the arrangements implemented. These are confined to incorporating 'replacement' versions of Transportation Principal Document (TPD) Sections G, H and M. The reason for this is that subject to Authority direction Modification 0565/A/B will be implemented

effective from 1st April 2017. This is prior to the Project Nexus Implementation Date (PNID) which is presently identified within the UNC as being 1st June 2016. Sections G, H and M were changed substantially by UNC Modification 0432 'Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform' which will be implemented at PNID. Consequently it was necessary to implement 'pre-Nexus' versions of TPD G, H and M.

Other contractual measures are necessary to ensure suitability of the FGO commercial arrangements following PNID. These are largely associated with the proposed Central Data Services Provider (CDSP) Data Services Contract (DSC) which will be introduced by Modification 0565/A/B. These are out of scope of this Modification Proposal given that they are not UNC changes albeit have been referenced for 'completeness'.

4 Code Specific Matters

Reference Documents

The Data Services Contract proposed under Modification 0565/A/B.

Knowledge/Skills

No specific skills or knowledge are necessary.

5 Solution

Modification of the UNC is proposed as follows:

- UNC - to assign CDSP functions and services, in accordance with the principles established by the Ofgem FGO review of Xoserve and implemented by Modification 0565/A/B, to the Project Nexus text created by Modifications 0432, 0434 and 0440.
- DSC - to amend the Service Description Table accordingly.
- DSC - to amend the UK Link Manual.

The services to be provided, as established by Modifications 0432, 0434 and 0440, are not amended by this modification. This Modification is to align the 0432, 0434 and 0440 services to the CDSP direct and agency service structure created by Modification 0565/A/B.

For information only and not part of this Modification, the DSC Transition Document contains provisions which suspend iGTs for relevant code provisions including those under GT and TPD. These will expire at PNID.

6 Impacts & Other Considerations

Does this modification impact a Significant Code Review (SCR) or other significant industry change projects, if so, how?

This Modification has no impact on the SCR. It is required to be implemented effective no earlier than the Project Nexus Implementation Date (presently 1st June 2017). However, it would have no impact systems being implemented as part of Project Nexus.

Consumer Impacts

No consumer impacts have been identified.

Cross Code Impacts

Changes to the iGT Network Code may be necessary.

EU Code Impacts

No EU Code impacts have been identified.

Central Systems Impacts

There are no central systems impacts.

User Pays	
Classification of the modification as User Pays, or not, and the justification for such classification.	No User Pays service would be created or amended by implementation of this modification and it is not, therefore, classified as a User Pays Modification.
Identification of Users of the service, the proposed split of the recovery between Gas Transporters and Users for User Pays costs and the justification for such view.	Not applicable
Proposed charge(s) for application of User Pays charges to Shippers.	Not applicable
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	Not applicable

7 Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers;	None

(ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) 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.	None

This Modification is required to establish clear rules pertinent to Large and Small Transporters and Shipper Users with respect to the FGO programme, in particular the function of the CDSP. In particular the purpose of the Modification is to ensure the FGO arrangements contained in the UNC and DSC align with the regime to be implemented under Project Nexus. This can be expected to facilitate relevant objective (f) Promotion of efficiency in the implementation and administration of the Code.

8 Implementation

It is proposed that this Modification be implemented effective on the PNID.

9 Legal Text

Text Commentary

To follow

Text

To follow

10 Recommendations

Proposer's Recommendation to Panel

Panel is asked to:

- Agree that self-governance procedures should not apply
- Refer this proposal to a Workgroup for assessment