

## Standard Special Licence Condition A15A – October version

This note sets out comments on changed provisions in the licence condition (LC) from the perspective of the 0565 work. A mark-up of the current against the previous consultation draft of the LC is attached for convenience, showing the changes on which the comments below are based.

Section	Content	Comment
6(a)	<p>This refers to 'users of CDSP services as defined in the UNC'.</p> <p>The UNC must set out a requirement for such users to be party to the DSC (now CDSP Service Agreement).</p>	<p>The requirement to be party to the DSC does not apply to Trader Users</p> <p>GT Section D will need to contain a definition of 'user of CDSP Services' for this purpose which excludes Trader Users.</p>
6(a)	<p>As noted above the term used in the LC is now CDSP Service Agreement.</p>	<p>We will need to amend specific references in GTD and the DSC to state that it is the CDSP Service Agreement for purposes of the LC.</p> <p>Should we change all references to DSC to CDSP Service Agreement (or CSA)?</p>
8(c)	<p>The CDSP Annual Budget is 'in respect of delivery of CDSP Services'.</p>	<p>Within the DSC structure, CDSP activities are split into (i) provision of services, and (ii) investment activities (both change and infrastructure) which are not called services. The CDSP Annual Budget covers all such activities.</p> <p>However we don't think this calls for a change in 0565 drafting or the LC – it doesn't matter if the scope of the annual budget under the DSC is theoretically wider than envisaged by the licence condition.</p>
8(d)	<p>This requires that the charging methodology and CDSP Charging Statement set out 'the scope of CDSP Services'.</p>	<p>The precise meaning of 'scope of CDSP Services' is not clear.</p> <p>The CDSP Services are defined and described in the CDSP Services Description, which is separate from and not part of the Budget and Charging Methodology. The Budget and Charging Methodology contains the table identifying the Service Areas and otherwise refers to the CDSP</p>

		<p>Services Description.</p> <p>It would be helpful if the LC were revised to reflect this.</p>
8(d) and 10	<p>The LC refers to 'CDSP Services and user pays services'</p> <p>'User pays services' are defined as services set out as such in the CDSP Charging Statement.</p>	<p>We are not clear what drove this change.</p> <p>There is no distinct concept of user pays services in the DSC. (In one sense all CDSP Services are 'user pays' since under FGO all customers pay CDSP charges).</p> <p>The DSC distinguishes between General Services and Specific Services. Specific Services are services provided to a customer only when ordered. They are equivalent to certain of the old 'user pays' services.</p> <p>The LC implies that 'user pays services' are not CDSP Services.</p> <p>Both General Services and Specific Services are CDSP Services which is an all-encompassing term for all services provided by the CDSP (also including Additional Services and Third Party Services), consistent with the use of the term in paragraph 4(b) of the LC.</p> <p>The LC does not create any requirement (for the charging methodology) in respect of 'user pays services' which is different from its requirements in respect of CDSP Services. Absent the reference to user pays services, the LC would require that the charging methodology address charges for all CDSP Services, which the Budget and Charging Methodology does.</p>
8(d) and (e)	<p>The LC effectively sets two sets of objectives for the charging methodology:</p> <ul style="list-style-type: none"> <li>• the 'objective of economic, efficient and transparent charging for the provision of CDSP Services'</li> <li>• the Charging Methodology Objectives as defined.</li> </ul>	<p>It is not entirely clear to us exactly how the two sets of objectives are intended to operate together. However GT Section D and the Budget and Charging Methodology have been revised to reflect the LC language, so (provided these changes in the 0565 drafting are acceptable) no further action is required.</p>

	The first objective must be facilitated, the second achieved.	
9	Any modification of the charging methodology must be made as a Code Modification.	<p>The DSC does not require this.</p> <p>Under the Change Management Procedures:</p> <ul style="list-style-type: none"> <li>• any DSC Service Document (including the Budget and Charging Methodology) <u>may</u> be amended by way of Code Modification;</li> <li>• any DSC Service Document (including the Budget and Charging Methodology) may also be amended by unanimous decision of the Change Management Committee if, following consultation: <ul style="list-style-type: none"> <li>○ no DSC party objects; or</li> <li>○ the Committee considers (i) there is substantial support for the change, (ii) it is consistent with the DSC Objectives, and (iii) it does not materially alter the balance of commercial or legal risk between customers (possible unlikely to apply to ost changes of the Budget and Charging Methodology;</li> </ul> </li> </ul> <p>(but subject to appeal);</p> <ul style="list-style-type: none"> <li>• the specific basis of charging (both for recovery of investment costs and for run-the-business costs) for a new or changed Specific Service must be decided by the Change Management Committee as part of the change procedures (again, subject to appeal).</li> </ul> <p>These provisions have been discussed extensively in the 0565 workgroup (so far as we are aware) are accepted.</p>