

# UNC Modification Proposal 0565 - Central Data Service Provider – General framework and obligations

UNC Workgroup – 1<sup>st</sup> December 2015

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# Background to Ofgem review of Xoserve Funding Governance and Ownership (FGO)

- Transporter Agency services pertaining to discharge of UNC obligations are responsibility of the Gas Transporters (GTs) who contract with Xoserve via an Agency Services Agreement (ASA)
- The Funding, Governance and Ownership (FGO) Programme was established in May 2014 to define and deliver a blueprint for the future funding and governance of the Central Data Service Provider (CDSP) and Central Data Services (CDS), in line with Ofgem's FGO Review conclusions in October 2013
- The implementation of these conclusions requires amendment to relevant regulatory and UNC arrangements and the development of a fully cooperative model for the CDSP which retains the integrated CDS systems and services which Xoserve presently delivers in its role as the Transporter Agency



## Programme governance

- KPMG appointed FGO Programme Manager - January 2015
- Endorsement of Programme Initiation Document (PID) and Programme Blueprint for CDSP operating model under FGO – April 2015
- FGO Workgroups (under Programme Overview Board (PoB) formed to develop deliverables in five areas
- Phased reform to March 2017
- Obligations and contracts workgroup established - March 2015:
  - UNC obligations to be reallocated between GTs and Shippers. Initial assessment undertaken
  - New contracts between CDSP and individual CDS service users



## Developments

- Programme Overview Board (PoB) and Obligations Workgroup
  - April 2015: High level review of Agency Services Agreement (ASA)
  - May 2015: Identified that TPD Section V6.5 would drive most high level changes, with individual sections being changed as required
  - May 2015: Workgroup identified that GTs should progress the changes through the UNC modification process
  - June 2015: Dentons (lawyers) engaged by NGD to provide a legal view of the approach to undertaking UNC changes
  - August 2015: Consideration of allocation to further ASA service lines
  - October 2015: Consideration of service line allocation and FGO transition into UNC Modification process
  - October 2015: PoB agreed that UNC Modification Proposal should be submitted to November 2015 Modification Panel



# Proposed GT Draft Licence Conditions: **nationalgrid**

Standard Special Condition A15A: Central Data Service Provider (*New condition – 1<sup>st</sup> April 2016*)

8 )The licensee shall, together with the other relevant gas transporters, bring forward modifications to the uniform network changes so that the uniform network code sets out from the phase 2 implementation date:

a)obligations on the licensee and other users of CDSP services (to the extent such other users of the CDSP services are bound by the uniform network code) to:

- i. jointly control and govern the CDSP on an economic and efficient basis;
- ii. use or procure the use of CDSP services and systems (together referred to as “CDSP services”), as set out in the uniform network code from the CDSP;
- iii. enter into a service agreement with the CDSP (the “CDSP service agreement”) and to keep the CDSP service agreement under review to ensure it continues to comply with the relevant sections of the uniform network code; and
- iv. pay for CDSP services used in accordance with the charging statement prepared by the CDSP (“the CDSP charging statement”);



# Proposed UNC framework

- Aligned to GT Licence conditions
- UNC to have general provisions to include the CDSP and reflect CDS services
- UNC to address process, governance and charging arrangements associated with the CDSP
- Code parties (GTs iGTs and Shipper Users) required to enter into a Data Services Contract (DSC) with CDSP to deliver relevant services to them
  - UNC would contain obligation for parties to sign onto and comply with the DSC (would also form additional User accession requirement)
  - Consequences of breach UNC matter to be developed by 0565 workgroup
- Delivery of services to Transporters and Users to be addressed. UNC TPD V6.5 and relevant UNC sections likely to need amendment
  - This will need to be reflected within the DSC contract Shipper Users and Transporters will have with the CDSP



## Objectives of UNC Workgroup

- Develop detailed business rules leading to production of legal text and commentary around Modification framework
  - Workgroup report to be produced by October 2016
- Proposer will have full support and advice from internal and external lawyers as necessary as prerequisite for legal text production
- DSC contract will need to be developed as modification assessment proceeds.
  - To be completed by October 2016
- Initial meetings centered around development of issues and principles which will drive UNC and DSC drafting; e.g. how will CDSP 'not for profit or loss' principle is to work