

FGO – General Terms Section B7 Review

This table comments on how the existing draft of GT Section B7 may need to be revised or repeated in the IGT UNC to reflect the services that the CDSP will (post-0440) provide to the IGTs.

The following high level principles are proposed:

- the DSC is 'created' by the UNC (GTB7) which has shippers, GTs and IGTs as parties. Provisions which create and govern the DSC can only exist in one place (ie GTB7 of the UNC) and should not be repeated in the IGT UNC. However these provisions (in GTB7) do need to reflect the services provided by the CDSP in respect of the IGT UNC;
- provisions of GTB7 which deal with how the CDSP and the DSC affect the relationships between UNC parties (for example, the role of the CDSP in respect of Direct Services under the UNC) should be repeated or reflected in the IGT UNC.

Where a provision needs to be reflected in the IGT UNC, this might be by the IGT UNC replicating the provision (with the appropriate amendments) or by pointing to the provision in GTB7. This would be for the IGTs to decide.

The table sets out the full text of the current draft GTB7 and comments on the above aspects for each provision (at section or paragraph level, as needed). It should be noted that the current draft remains an initial draft subject to further amendment; it does not yet include certain changes discussed in 0565 meetings.

	CDSP AND CDSP SERVICES	Comment
7.1	General	
7.1.1	For the purposes of the Code:	<p>Generally these definitions need to reflect the IGT UNC – including services to be provided under the IGT UNC.</p> <p>To the extent these definitions are used in the IGT UNC provisions, the IGT UNC may need to point to</p>

	CDSP AND CDSP SERVICES	Comment
		them.
(a)	the Central Data Services Provider or CDSP is the person for the time being [appointed] by [the Transporters] as Central Data Services Provider pursuant to the CDSP Licence Condition;	Provision in UNC only – defines the CDSP and refers only to GTs
(b)	the CDSP Licence Condition is [condition XXXX];	-
(c)	the Data Services Contract or DSC is the contract between the Parties and the CDSP in the form approved by the Authority pursuant to arrangements set out [in the Transition Document] [Licence Condition] as from time to time amended in accordance with its terms and the provisions of this paragraph 7;	Provision in UNC only – defines the DSC
(d)	CDSP Services means all services from time to time provided (whether to Parties or to other persons) by the CDSP;	Already refers to IGTs (being 'Parties')
(e)	Code Services means the CDSP Services referred to in paragraph 7.2.1(a) and 7.3.1(b) (being CSDP Services required under or in order to give effect to the Code [or IGT UNC?]);	Should also refer to IGT UNC
(f)	Core Customer means a Party to the Code in the capacity of a party to the DSC;	Already refers to IGTs (being 'Parties')
(g)	Customer Class means each of the following classes of Core Customer:	-
(i)	Shipper Users;	
(ii)	DN Operators;	
(iii)	National Grid NTS;	
(iv)	Independent Gas Transporters;	

	CDSP AND CDSP SERVICES	Comment
(h)	Customer Group means a single Customer Class or a group of Customer Classes;	Provision in UNC only
(i)	CDSP Costs means all costs, expenses and liabilities of the CDSP, however incurred;	Provision in UNC only
(j)	CDSP Charges means the charges made by the CDSP to Core Customers in respect of CDSP Services;	Provision in UNC only
(k)	[DSC Committee means [/]];	
7.1.2	CDSP Services are divided into:	
(a)	services provided by the CDSP on its own account (CDSP Direct Services);	
(b)	services which comprise the performance by the CDSP of functions as agent on behalf of one or more of the Transporters [or IGTs?] (CDSP Agency Services).	Should refer to IGTs – Agency Services include
7.1.3	References in this paragraph 7 to Shipper Users include such persons in their capacity as IGTS Users.	This already reflects the IGT position
7.2	CDSP Direct Services	
7.2.1	CDSP Direct Services comprise:	
(a)	the performance of functions assigned to the CDSP in the Code [or IGT UNC?];	This should refer to the IGT UNC (since the IGT UNC will have equivalent functions for the CDSP). Note: even if the IGT UNC incorporates these provisions by reference from the UNC, they are still 'in' the IGT UNC and need to be referred to here.
(b)	services provided to Core Customers or Customer Classes on a uniform basis in connection with Code (but not being prescribed by the Code);	If retained, this could also refer to the IGT UNC

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(c)	services (Individual Customer Services) provided to individual Core Customers at the request of the Core Customer;	Provision in UNC only – no need to refer to IGT UNC
(d)	services (Third Party Services) provided (consistent with paragraph [7.8.5]) to persons who are not Parties (or are acting not in the capacity of a Party when receiving those services).	Provision in UNC only – no need to refer to IGT UNC
7.2.2	CDSP Direct Services within paragraph 7.2.1(a) [comprise] [include]:	As above, the CDSP will provide direct services for the IGTs, so each of these paragraphs need to refer to the equivalent provision of the IGT UNC. Separately, the equivalent provisions of the IGT UNC (ie the equivalent of G, H, M), need to be amended to reflect the role of the CDSP – see the FGO amended drafts of these UNC Sections
(a)	the maintenance of the Supply Point Register and the performance of the functions of the CDSP (in connection with supply point administration) in TPD Section G;	As above
(b)	the performance of the functions of the CDSP (in connection with demand estimation) in TPD Sections H1, H2, H3 and H4;	As above
(c)	the performance of the functions of the CDSP (in connection with [metering, meter data and meter reading]) in TPD Section M;	As above
(d)	[the provision, maintenance, operation and development of UK Link and the performance of the functions of the Central Data Services Provider (in connection with UK Link) in TPD Section U];	[As above]
(e)	[other sections, eg GTs, MRs, Transition Document].	[As above]

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7.2.3	The CDSP acts on its own account and not as agent of any Party in the provision of CDSP Direct Services, but without prejudice to paragraph 7.5.2.	Provision in UNC only
7.2.4	In relation to CDSP Direct Services which are Code Services:	These provisions are part of the UNC rules governing the CDSP, and should be written to extend to the IGT UNC. However there is no reason why the IGT UNC should not include similar provisions (or point to this provision).
(a)	the CDSP acts as the operator in its own name of the Supply Point Register [and other specified systems / data bases?];	
(b)	Code Communications given or received by the CDSP under the provisions of the Code referred to in paragraph [7.2.2] are given or received by it in its own name (as such operator), and not as agent of any particular Party.	
7.2.5	Individual Customer Services comprise:	Provision in UNC only
(a)	services which are available (on request) to all Core Customers or Core Customers within a Customer Class; and	
(b)	[[subject to paragraph [7.7.4]], services which are specified by and available only to a particular Core Customer (Bespoke Individual Customer Services).]	
7.3	CDSP Agency Services	
7.3.1	CDSP Agency Services comprise:	Provision in UNC only. Will need to reflect the agency services provided to IGTs (in relation to IGT UNC and for example the IGTAD).

	CDSP AND CDSP SERVICES	Comment
(a)	the performance of certain functions of the Transporters [and iGTs?] under the Code;	Should include reference to IGTs and IGT UNC
(b)	the performance of certain functions of the Transporters pursuant to conditions of their respective [GT Licences];	May refer to IGTs if applicable (ie if they have licence functions carried out by CDSP)
(c)	the performance of certain functions of the Transporters in connection with other gas industry codes or agreements;	May refer to IGTs if applicable
(d)	[the provision of reporting and other supporting services to Transporters in connection with the services in paragraphs (a), (b) and (c)].	May refer to IGTs if applicable
7.3.2	CDSP Agency Services within paragraph 7.3.1(a) [comprise] [include]:	Provision in UNC only (as above, this provision is part of the DSC definition) References to functions should include equivalent functions under the IGT UNC IGT UNC should identify (in the relevant sections) what are the agency functions of the CDSP
(a)	the performance of the agency functions of the CDSP in TPD Sections [B, C, D, E, F, S, V, X];	See above
(b)	the performance of the agency functions of the CDSP (in connection with data flows between Transporters and [IGTs] in IGTA Sections [I];	See above
(c)	[the performance of the agency functions of the CDSP (in connection with data flows between Transporters) in OAD Sections [I];	-
(d)	[I].	

	CDSP AND CDSP SERVICES	Comment
7.3.3	CDSP Agency Services within paragraph 7.2.3(b) [comprise] [include]:	See above with respect to paragraph 7.3.1.
(a)	[theft of gas?]	
(b)	[others?]	
7.3.4	The CDSP acts as agent of the relevant Transporter(s) [or iGT?] in the performance of the functions comprised in CDSP Agency Services.	UNC provision should refer to IGTs. (But note 7.3.4 may change to reflect where Agency Services involve actual agency.) IGTs may wish to reflect this in the IGT UNC.
7.3.5	In relation to CDSP Agency Services which are Code Services:	To be reflected in IGT UNC. UNC will not refer to IGTs here.
(a)	Code Communications are given between Users and Transporters, and in sending or receiving such Code Communications the CDSP acts as agent of the Transporter or Transporters;	
(b)	any such Code Communication given by the CDSP shall be deemed to have been given by and be binding on the Transporter, and Users shall be entitled to rely on such Code Communication;	
(c)	where there is a requirement in the Code under any such provision that a User give a Code Communication to a Transporter or the Transporters collectively, the User shall be treated as having complied with such requirement where the User gives the Code Communication to the CDSP;	
(d)	[where the agreement between the Transporters for the purposes of this paragraph [XXX] so provides, the CDSP will act on behalf of the Transporters in respect of the exercise of any discretion or rights conferred on the Transporters, the performance of	

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	the Transporters' obligations and the giving and receiving of Code Communications in each case.]	
7.4	Agreement to engage the CDSP and be party to DSC	These UNC provisions to include a reference to the IGT UNC. These provisions are part of the 'creation' of the DSC and should exist only in the UNC. No reason why the IGT UNC should not refer to these provisions
7.4.1	The Parties acknowledge and agree that CDSP Services which are Code Services must be performed in order to implement and give effect to the Code.	As above. Reference to Code should include IGT UNC
7.4.2	Accordingly the Parties shall, and each Party undertakes that it will:	As above. Code Services may need to include the IGT services.
(a)	use [or procure the use of] the Code Services;	As above.
(b)	engage the CDSP to perform and carry out the Code Services;	As above.
(c)	for that purpose, enter into and comply with the DSC; and	As above.
(d)	without limitation of its obligation to comply with the DSC, pay the charges of the CDSP as applicable to each Party in accordance with the DSC and the CDSP Charging Statement.	As above.
7.4.3	In accordance with Section [GTXXX] no person may become a Party without acceding to the DSC.	Provision in UNC only. Could include in IGT UNC but ne need because a shipper can't be party there unless a UNC Party.

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7.4.4	Each Party undertakes that it will act and exercise its rights and powers in relation to the CDSP (including its powers under the CDSP Articles of Association and its rights and powers under the DSC) so that [to set out specific licence condition requirements] [and otherwise so as to enable the Transporters to comply with the CDSP Licence Condition].	This relates to the CDSP Licence Condition, so is not relevant to IGTs.
7.4.5	The Parties agree and acknowledge that:	Provision in UNC only. (Relates to governance of CDSP and arrangements with shareholders, so is not needed in the IGT UNC.)
(a)	the CDSP will not declare dividends or distributions (of income or capital) to its shareholders;	
(b)	the shareholders of the CDSP have no obligations in respect of the funding of the CDSP;	
(c)	the objective of the CDSP is to operate without making a net surplus or net loss in any [Gas Year] (and while some over or under-recovery of the CDSP's costs in any one year is likely to occur, the arrangements in paragraph [] ensure that such over or under-recovery is corrected in the following year);	
(d)	accordingly (in accordance with the further provisions of this Section 7):	
(i)	the CDSP Services are provided 'at cost' to Core Customers; and	
(ii)	all CDSP Costs (to the extent not recovered from third parties) are to be recovered from Core Customers.	
7.5	CDSP Direct Services which are Code Services – further provisions	
7.5.1	The Parties acknowledge and agree, in connection with CDSP Direct Services which	The IGTs may wish to reflect this in the IGT UNC.

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	are Code Services, that:	
(a)	the Code sets out or describes the functions of the CDSP as obligations of the CDSP (as if the CDSP were a party to the Code);	
(b)	the CDSP is not a Party, and is not bound by any Framework Agreement to comply with the Code;	
(c)	accordingly the DSC operates to bind the CDSP to perform those functions assigned to it under the Code.	
7.5.2	So far as any of the CDSP Direct Services comprise the functions to be fulfilled by the Supply Point Information Service (SPIS) pursuant to Standard Condition 31 (SC31) of the Transporters' [GT licences]:	The IGTs may wish to reflect this in the IGT UNC.
(a)	the DSC shall take effect as an arrangement by which (as contemplated by SC31) the Transporters procure the establishment and subsequent operation and maintenance by the CDSP of the SPIS;	
(b)	the CDSP shall perform the Central Data Services and otherwise act so as to ensure the Transporters comply with SC31;	
(c)	each Party undertakes that it will not act or exercise its rights or powers in relation to the CDSP (including its powers under the CDSP Articles of Association and its rights and powers under the DSC) in a way which is inconsistent with paragraph (b);	To discuss whether this should be repeated in the IGT UNC or exist only in the UNC
(d)	[anything else? Other licence obligations within Direct Services?]	
7.5.3	Where, in connection with CDSP Direct Services, a provision of the Code confers on the CDSP any discretion or choice, or requires or entitles the CDSP to make a judgement or form an opinion, in connection with any action taken or communication given by a	This UNC provision should extend to cover such CDSP functions under the IGT UNC (since the same 'rule-book' for discretions must apply in all cases.

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	particular Party (the relevant Party):	Query whether the IGTs also may wish to reflect this in the IGT UNC – but the rule must be the same.
(a)	the [DSC Committee] may prescribe principles or guidance to be followed by the CDSP in doing so;	
(b)	the CDSP may request the [DSC Committee] to provide such principles or guidance (in general or in particular cases);	
(c)	subject to or in the absence of any such principles or guidance, the CDSP shall act with a view to meeting the following principles:	
(i)	to avoid undue discrimination between Parties or Parties of a particular class;	
(ii)	to avoid any significant cost or risk being imposed on any Party or Parties other than the relevant Party;	
(iii)	to avoid any significant cost or risk being incurred by the CDSP (including any risk to its [systems]) which may affect other Parties;	
(iv)	to allow the relevant Party to enjoy the benefit of the relevant provision where no significant cost or risk will be imposed on any other Party or Parties, but subject to paragraph (v);	
(v)	not to allow the relevant Party to avoid complying with the Code on a persistent basis;	
(vi)	[others?].	
7.5.4	Where a provision of the Code referred to in paragraph 7.2.2, in relation to which the CDSP performs CDSP Direct Services, contains a rule, requirement or obligation binding on a Party and not expressed to be owed to any other Party or Parties in	The UNC will not refer to the IGT UNC. The IGTs may wish to reflect this in the IGT UNC.

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	particular:	
(a)	such provision operates for the benefit of all Parties, notwithstanding that such provision may be expressed as a provision about a Code Communication to be given by or to, or a process to be followed by or with, the CDSP;	
(b)	any Party which is or would be adversely affected by a breach of such provision may seek to enforce such provision (but without prejudice to [limitations of liability provisions]).	
7.5.5	The rights and obligations of the Parties under the Code shall not be affected by any failure or delay on the part of the CDSP in performing the CDSP Direct Services which are Code Services, so far as such rights and obligations are capable of being construed and determined notwithstanding such failure or delay, but without prejudice to any provision of the Code which expressly addresses any such failure or delay or the consequences thereof.	The UNC will not refer to the IGT UNC. The IGTs may wish to reflect this in the IGT UNC
7.5.6	In the event of any conflict between the provisions of the Code and the provisions of the DSC:	
(a)	as between the Parties, the provisions of the Code shall prevail;	The UNC will not refer to the IGT UNC. The IGTs may wish to reflect this in the IGT UNC.
(b)	[if any Party requires] the DSC shall be amended (and each Party undertakes to exercise its rights in relation to amendment of the DSC) to remove such conflict.	The UNC will not refer to the IGT UNC. Need to consider possible conflicts between UNC and IGT UNC.
7.5.7	Where any provision of the Code is expressed:	Probably, provision exists only in the UNC (since it is a rule about what the DSC is like).

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		In which case, should also refer to IGT UNC
(a)	[to provide for any duty, representation, warranty, indemnity or other obligation on the part of the CDSP in favour of any Party or Parties, or any right or entitlement of a Party of Parties as against the CDSP]; or	
(b)	to provide for any right or entitlement of the CDSP as against any Party or Parties, or any duty, representation, warranty, indemnity or other obligation on the part of any Party or Parties in favour of the CDSP	
	the DSC shall give effect to such provision by making it binding as between the Parties and the CDSP.	
7.5.8	Except as expressly provided in the Code or the DSC, no provision of the Code is incorporated into the DSC and nothing in the Code shall operate to impose any obligation or confer any right on the CDSP.	Provision in UNC only. References to Code (apart from the first) should also refer to IGT UNC
7.6	Data Services Contract	Provision in UNC only. This paragraph sets out the detail of the DSC. The language needs to reflect that the DSC covers functions of the CDSP in relation to the IGT UNC.
7.6.1	The DSC comprises:	
(a)	an agreement (DSC Agreement) in accordance with paragraph 7.6.2;	
(b)	terms and conditions (DSC Terms and Conditions) in accordance with paragraph 7.6.3;	
(c)	further documents (CDSP Service Documents) in accordance with paragraph 7.6.4.	

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7.6.2	The DSC Agreement:	
(a)	is an agreement, to which the CDSP and all Parties are (or by accession become) party, by which the DSC Terms and Conditions are given effect and made binding between the CDSP and the Parties;	
(b)	may be amended only by agreement of all of the parties to it.	
7.6.3	The DSC Terms and Conditions:	
(a)	oblige the CDSP to perform the functions assigned to it under the Code;	Include a reference to IGT UNC
(b)	give effect to further provisions of the Code which are expressed to operate so as to bind or benefit the CDSP (including applicable provisions of this paragraph 7);	Probably include a reference to IGT UNC
(c)	give effect to and make binding (as between the CDSP and each Party) each CDSP Service Document;	
(d)	contain terms and conditions of the DSC which are not contained in the CDSP Service Documents;	
(e)	may be amended by way of Code Modification in accordance with paragraph [/].	
7.6.4	The CDSP Service Documents:	
(a)	comprise the following documents established and maintained [as UNC Related Documents] by the [DSC Committee]:	
(i)	a description (CDSP Service Description) of the CDSP Services, in accordance with paragraph [7.7];	

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(ii)	a methodology (Budget and Charging Methodology) for budgeting CDSP Costs and setting CDSP Charges, accordance with paragraph [7.8];	
(iii)	[Customer Responsibility Document accordance with paragraph [7.9];	
(iv)	[UK Link Manual in accordance with paragraph [7.10]];	
(v)	rules and procedures (Change Control Procedures) for amending the CDSP Service Documents [or other changes?] in accordance with paragraph [7.11];	
(vi)	arrangements (Contract Management and Reporting Arrangements) for management and reporting in respect of the DSC in accordance with paragraph [7.12];	
(vii)	a policy (Third Party Services Policy) for Third Party Services in accordance with paragraph [7.13];	
(viii)	[others?];	
(b)	may be amended in accordance with the provisions of the DSC GTCs and the Change Control Procedures.	
7.7	CDSP Service Description	Provision in UNC only. The Service Description will need to reflect that it described services to be provided as per the IGT UNC (and the IGTAD).
7.7.1	The CDSP Service Description shall set out a specification of each of the CDSP Services [(other than Third Party Services and Bespoke Individual Customer Services)], based on the classification of CDSP Direct Services in paragraph 7.2.1 and CDSP Agency Services in paragraph 7.3.1, including a definition of the service and (in certain	

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	cases) a service level or service levels for performance of the service.	
7.7.2	Under the CDSP Service Description:	
(a)	CDSP Services shall be divided into areas (Service Areas) of related CDSP Services;	
(b)	within each Service Area each individual CDSP Service is a Service Line.	
7.7.3	In relation to a Code Service, the CDSP Service Description shall specify the CDSP Service by reference to the relevant provision of the Code (and in the case of a CDSP Direct Service, by identifying the relevant function of the CDSP as specified in the Code).	Include a reference to IGT UNC
7.7.4	The CDSP Service Description shall set out the basis and conditions on which a Core Customer may request and the CDSP may agree to provide a Bespoke Individual Customer Service, which may include:	
(a)	matters equivalent to those provided in the Third Party Services Policy;	
(b)	the obligations (or the absence of obligations) of the CDSP to maintain any details of such service in confidence.	
7.8	Budget and Charging Methodology	Provision in UNC only. The Budget and Charging Methodology will need to take into account budgeting and charging for the services provided re IGTs. Service Area will need to include IGT service areas.
7.8.1	The Budget and Charging Methodology shall provide for:	

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(a)	a basis for the allocation of CDSP Costs to each Service Area, taking account of the resources or share of resources of the CDSP used in the provision of CDSP Services in that Service Area and an allocation of CDSP central and overhead costs;	
(b)	for each Service Area, the identification of a Customer Group (Area Customer Group) in respect of the Service Area, taking account of the Customer Class or Classes which are recipients or beneficiaries of CDSP Services within the Service Area;	
(c)	for each Service Area, a basis for allocating CDSP Costs (for the Service Area) between Customer Classes in the Area Customer Group, on a proportionate basis (such that in aggregate 100% of such CDSP Costs are allocated to such Customer Classes), taking account of the extent to which each Customer Class in the Area Customer Group is a recipient or beneficiary of the CDSP Services within the Service Area;	
(d)	for each Service Area, and for each Customer Class in the Area Customer Group, the basis on which CDSP Charges are to be determined by allocating CDSP Costs (for the Service Area) between Core Customers in that Customer Class, which shall include:	
(i)	the measure (such as number of Supply Points, or number of Core Customers in the Customer Class, or requests for Individual Customer Services) by which such costs are to be allocated (Charging Measure);	
(ii)	the period (such as a year or a month) in relation to which such measure is to be determined;	
(iii)	the basis for the assumptions (as to volumes of the relevant Charging Measures) to be made by the CDSP for the purposes of calculating CDSP Charges ex ante on a unit basis, where applicable;	
(e)	establishing a CDSP Budget, and the determination of the Net Service Costs and Area Net Service Costs, for each [Gas Year], in accordance with paragraphs [7.8.2] and	

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	[7.8.3];	
(f)	the preparation of a Charging Statement and the amounts of the CDSP Charges for each [Gas Year], in accordance with paragraph [7.8.4].	
7.8.2	For each [Gas Year] (the Charging Year) a budget and plan (CDSP Budget) shall be established which shall set out:	
(a)	the principal activities to be carried out and resources to be employed by the CDSP in the Charging Year, and the estimated CDSP Costs associated with such activities and resources, including an explanation of such CDSP Costs and the basis on which they will be incurred;	
(b)	in relation to the Charging Year:	
(i)	the CDSP's estimates of:	
(aa)	the amount of the CDSP Costs to be incurred in the Charging Year;	
(bb)	the revenue to be earned from Third Party Services in the Charging Year;	
(ii)	the Net CDSP Costs for the Charging Year, calculated as the amount in paragraph (i)(aa) less the amount in paragraph (i)(bb);	
(c)	in relation to the preceding Gas Year;	
(i)	the CDSP Costs actually incurred;	
(ii)	the amount (Overall Y-1 Over/Under Recovery) by which the total amount recovered by way of CDSP Charges was more or less than the CDSP Costs actually incurred (with an explanation of the extent to which this resulted from differences in estimating CDSP	

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	Costs or assumptions used in setting CDSP Charges);	
(d)	the net aggregate amount to be recovered by CDSP Charges in the Charging Year (Net Service Costs), calculated as the Net CDSP Costs for the Charging Year adjusted by the amount of the Overall Y-1 Over/Under Recovery.	
7.8.3	The CDSP Budget shall set out, for each Service Area:	
(a)	the amount (Area Net CDSP Costs) of the Net CDSP Costs for the Charging Year allocated (on the basis in paragraph [7.8.1(a)]) to such Service Area;	
(b)	the amount (Area Y-1 Over/Under Recovery) by which, for the preceding Gas Year, the total amount recovered by way of CDSP Charges in respect of such Service Area was more or less than the amount allocable (on the basis in paragraph [7.8.1(a)]) to such Service Area of the CDSP Costs actually incurred (the net aggregate of such amounts, for all Service Areas, being equal to the Overall Y-1 Over/Under Recovery);	
(c)	the amount (Area Net Service Costs) of the Net Service Costs allocated to that Service Area, calculated as the Area Net CDSP Costs adjusted by the Area Y-1 Over/Under Recovery;	
(d)	the assumptions (as to volumes of Charging Measures) made by the CDSP for the purposes described in paragraph [7.8.1(d)(iii)].	
7.8.4	For the Charging Year the CDSP shall prepare a statement (CDSP Charging Statement) setting out, for each Service Area:	
(a)	the Area Net Service Costs;	
(b)	for each Customer Class in the Area Customer Group, the amount of the Area Net Service Costs allocated (on the basis in paragraph 7.8.1(c)) to that Customer Class;	

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(c)	the CDSP Charge(s) which shall apply in the Charging Year and the Charging Measure(s).	
7.8.5	The Budget and Charging Methodology shall provide for:	
(a)	the accounting policies to be adopted by the CDSP in determining CDSP Costs in any period;	
(b)	the basis on which late payments of CDSP Charges, interest in respect of such late payments, failure to pay CDSP Charges, and recoveries from third parties in respect of CDSP Costs (other than charges for Third Party Services), are to be taken into account in establishing the CDSP Budget and calculating CDSP Charges;	
(c)	the procedure and timetable for establishing of the CDSP Budget, including the CDSP publishing in draft and consulting with Core Customers on the CDSP Budget and approval by the [DSC Committee];	
(d)	the basis on which the CDSP Budget shall be initially established provisionally, and finalised to take account of actual CDSP Costs incurred and CDSP Charges received in the preceding Gas Year;	
(e)	the basis for an appeal to the Authority in respect of the CDSP Budget as provided in the CDSP Licence Condition and the implementation of the Authority's decision;	
(f)	the procedure and timetable for the preparation of the Charging Statement;;	
(g)	the circumstances in which and basis on which the CDSP Budget may be amended within the Charging Year, and the Charging Statement and CDSP Charges amended as a result.	
7.8.6	If the CDSP is able to borrow in order to fund expenditure of a capital nature, and the [DSC Committee] authorises such borrowing, the CDSP Budget shall reflect both the	

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	funding of such expenditure by such borrowing (as a reduction in CDSP Costs to be recovered in relevant Gas Years), and the costs of servicing such borrowing including interest, principal repayment and fees (as additional CDSP Costs in relevant Gas Years), and the Budget and Charging Methodology shall be amended to reflect the above.	
7.9	[UK Link Manual]	Provision in UNC only. Consider whether / how UK Link Manual should extend to IGTs
7.10	[Customer Responsibility Document]	Provision in UNC only. Should refer to IGT UNC as needed.
7.11	Change Control Procedures	Provision in UNC only.
	[to follow]	Provision in UNC only.
7.12	Contract Management and Reporting Arrangements	
	[to follow]	
7.13	Third Party Services Policy	Provision in UNC only.
7.13.1	The Third Party Services Policy shall set out the basis on which the CDSP may provide	

	CDSP AND CDSP SERVICES	Comment
	and may agree to provide Third Party Services.	
7.13.2	The Third Party Services Policy shall include:	
(a)	limits to the scope and amount of Third Party Services with a view to limiting risk and cost to Core Customers;	
(b)	requirements as to service priority in case of conflict with provision of CDSP Services to Core Customers;	
(c)	principles governing the liability which the CDSP may accept in the provision of Third Party Services;	
(d)	the requirement to earn a margin (above an allocation of CDSP Costs) in the charges made for Third Party Services.	
7.14	[Other CDSP Service Documents]	
7.15	DSC Committee	
	[possible provision for a sub-committee – or alternative governance arrangement – overlap with UK Link Committee to be discussed.]	