

FGO – UNC DRAFTING

GENERAL TERMS – SECTION D – CDSP AND UK LINK

1 GENERAL

1.1 Introduction

1.1.1 This Section D sets out:

- (a) provisions relating to the CDSP and CDSP Services;
- (b) requirements in respect of the Data Services Contract;
- (c) the basis on which the DSC Committees are established;
- (d) provisions in relation to UK Link.

1.1.2 This Section D includes the provisions required to be included in the Code pursuant to the CDSP Licence Condition.

[1.1.3 The provisions of this Section D apply subject to the Transition Document \(including the DSC Transitional Arrangements Document referred to in the Transition Document\).](#)

1.2 Interpretation

1.2.1 For the purposes of the Code:

- (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;
- (b) the **CDSP Licence Condition** is [Standard Special Licence Condition [A15A](#) of the Gas Transporter's Licence];
- (c) the **Data Services Contract** or **DSC** is the contract between the Parties and the CDSP in the form approved by the Authority (as provided in Part [/] of the Transition Document) as from time to time amended in accordance with its terms and the provisions of this Section D;
- (d) **Core Customer** means a Party to the Code (other than a Trader User) in the capacity of a party to the DSC;
- (e) **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;

- (f) **Customer Group** means a single Customer Class or a group of Customer Classes;
- (g) **CDSP Costs** means all costs, expenses and liabilities of the CDSP, however incurred;
- (h) **CDSP Charges** means the charges made by the CDSP to Core Customers in respect of CDSP Services;
- (i) **DSC Year** means the period from 1 April in any year until and including 31 March in the following year;
- (j) **IGT Code Communication** means a communication, equivalent to a Code Communication, to be given by or to an Independent Gas Transporter under the IGT Code;

1.2.2 The DSC Objectives are:

- (a) compliance with the requirements of the CDSP Licence Condition, including (without limitation):
 - (i) that the CDSP should provide services effectively to help facilitate the efficient and integrated operation of the gas industry; and
 - (ii) so far as concerns CDSP Charges, compliance with the charging methodology objective in paragraph [7] of the CDSP Licence Condition;
- (b) so far as consistent with paragraph (a), the objectives in paragraph 1 of [Special Standard Condition A11 of Transporters Licences].
- ~~(i)~~

~~1.2.2.3~~ **1.2.3** References in this Section D to Shipper Users include such persons in their capacity as IGTS Users.

1.3 CDSP Services

1.3.1 For the purposes of the Code [CDSP Services means^[1] [] the following services, to the extent that such services are provided by the CDSP:

- ~~(a) — the following services, unless on the application (prior to the commencement of provision of such service) of any Transporter the Authority determines that such service is not a CDSP service for the purposes of the CDSP Licence Condition:~~
 - ~~(i) — services which consist in performing functions assigned to the CDSP in the Code or IGT Code;~~
 - ~~(ii) — services which consist in performing or facilitating the performance of obligations under the Code on behalf of a Core Customer;~~

~~[services which the Code or the IGT Code requires to be provided to a Core Customer, or all or some Core Customers in a Customer Class;]~~
 - ~~(iii) — services provided to a Core Customer, or all or some Core Customers in a Customer Class, which the CDSP can provide [more economically than any~~

~~other person (including the Core Customer itself) by using resources used by the CDSP to provide services within paragraph (i) or (ii));~~

~~(iv) — any service provided to a Third Party which is the same [or substantially the same] as a service within paragraph (iii) which the CDSP is for the time being providing to Core Customer(s);~~

~~(v) — any service provided to a Third Party where:~~

~~(aa) — the Code requires the CDSP to provide the service, or~~

~~(bb) — the service consists in the provision of data which the Code authorises the CDSP to provide to the Third Party (or Third Parties of that class);~~

~~(vi) — services provided to a Third Party which:~~

~~(aa) — the CDSP can provide [more economically than any other person (including the Third Party itself) by using resources used by the CDSP to provide services within paragraph (i) or (ii)], and~~

~~(bb) — are approved by the [DSC Change Committee];~~

~~(b) — any other service which the Authority (on the application of any Transporter) accepts is a CDSP service for the purposes of the CDSP Licence Condition;~~

~~(c) — any other service provided by the CDSP (whether to a Core Customer(s) or a Third Party(ies)) where Authority has consented (under paragraph 7(b) of the CDSP Licence Condition) to the CDSP providing such service;~~

~~(d) — [any service which is incidental to the provision of any of the above services].~~

1.3.2 **Code Services** means the CDSP Services referred to in paragraphs 2.1.1(a) and 2.2.1(a) (being CDSP Services required under or in order to give effect to the Code or IGT Code).

1.3.3 CDSP Services are divided into:

- (a) services provided by the CDSP on its own account (**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 Independent Gas Transporters (**Agency Services**).

1.3.4 The Code and IGT Code also assign certain functions (**Non-Service Functions**) to the CDSP which the CDSP is to perform but which are not treated or charged for as separate services provided by the CDSP, including:

- (a) establishing and operating UK Link;
- (b) maintaining the UK Link Manual;
- (c) functions assigned under the Modification Rules in connection with the Modification Procedures;

(d) [others?].

1.4 Agreement to engage the CDSP and be party to DSC

1.4.1 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 and the IGT Code.

1.4.2 Accordingly the Parties shall, and each Party undertakes that it will:

- (a) use [or procure the use of[2]] the Code Services;
- (b) engage the CDSP to perform and carry out the Code Services;
- (c) for that purpose, enter into and comply with the DSC; and
- (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.

1.4.3 In accordance with TPD Section V2.1.2(i), OAD Section N4.2.2(e) and IGTAD Section F3.2.2(d) no person may become a Party (other than as a Trader User) without acceding to the DSC.

1.4.4 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):

~~(a)~~ so as jointly to control and govern the CDSP on an economic and efficient basis; ~~and~~

~~(b)~~ ~~so as to enable the Transporters to comply with the CDSP Licence Condition.~~[3]

1.4.5 A Party may appeal the CDSP's [Budget] for a DSC Year by notice in writing to the Authority in accordance with and subject to the process set out in the Budget and Charging Methodology provided for in paragraph 3.3 (and the relevant provisions of the Budget and Charging Methodology are deemed incorporated into the Code for the purposes of the CDSP Licence Condition).

1.4.6 The Parties agree and [acknowledge that:[4]

- (a) [the CDSP will not declare dividends or distributions (of income or capital) to its shareholders;[5]
- (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 DSC 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 3.3 ensure that such over or under-recovery is corrected in the following year)[6];
- (d) accordingly (in accordance with the further provisions of this Section D):
 - (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.

1.5 Relevant Licence Provisions

1.5.1 For the purposes of this paragraph 1.5 Relevant Licence Provisions are:

- (a) the CDSP Licence Condition;
- (b) Special Standard Condition 31 and Standard Condition 31 of the Transporters' and Independent Gas Transporters' Gas Transporter's Licences;
- (c) any other condition of the Transporters' and Independent Gas Transporters' Gas Transporter's Licences, to the extent to which the CDSP Services or other functions of the CDSP are relevant to compliance with such condition.

1.5.2 Nothing in this Section D or the DSC shall take effect in a way which would be in conflict with or result in a Transporter or Independent Gas Transporter being in breach of a Relevant Licence Provision.^[7]

1.5.3 It is agreed that:

- (a) the CDSP shall not [knowingly] do or omit to do anything;
- (b) a DSC Committee shall not take a decision (and any such decision shall be invalid and of no effect);
- (c) no Party shall knowingly exercise any right under this Section D or the DSC in a way, which would result in a Transporter or Independent Gas Transporter being in breach of a Relevant Licence Provision.

1.5.4 Where a Transporter or Independent Gas Transporter considers that any possible or proposed action or decision within paragraph 1.5.3(a), (b) or (c) would result in a breach of a Relevant Licence Provision, the Transporter may and shall so inform the relevant person or committee accordingly.

2 CDSP SERVICES AND ROLE OF CDSP

2.1 Direct Services

2.1.1 Direct Services comprise:

- (a) the performance of functions (other than Non-Service Functions) assigned to the CDSP in the Code or IGT Code (**Direct Functions**);
- (b) services provided to Core Customers or Customer Classes on a uniform basis in connection with the Code or the IGT Code (but not being prescribed by the Code or IGT Code, as the case may be);
- (c) services (**Individual Customer Services**) provided to individual Core Customers at the request of the Core Customer;

- (d) services (**Third Party Services**) provided (consistent with paragraph [3.7]) to persons who are not Parties (or are acting not in the capacity of a Party when receiving those services).

2.1.2 Direct Services within paragraph 2.1.1(a) ~~comprise~~include:^[8]

- (a) performance of the following Direct Functions under the Code:
 - (i) 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;
 - (ii) the functions of the CDSP (in connection with demand estimation) in TPD Sections H1, H2, H3 and H4;
 - (iii) the functions of the CDSP (in connection with Supply Point metering, meter data and meter reading) in TPD Section M;
 - ~~(iv) — [the functions of the CDSP (in connection with UK Link and the UK Link Manual) in paragraph 5];^[9]~~
 - ~~(iv)~~^(iv) [the Direct Functions of the CDSP under other provisions of the Code which provide for such functions];
- (b) performance of the Direct Functions of the CDSP under provisions of the IGT Code equivalent to the provisions of the Code listed in paragraph (a) above.

2.1.3 Individual Customer Services comprise:

- (a) services which are available (on request) to all Core Customers or all Core Customers within a Customer Class; and
- (b) services which are specified by and available only to a particular Core Customer (**Bespoke Individual Customer Services**).

2.1.4 The CDSP acts on its own account and not as agent of any Party in the provision of Direct Services, but without prejudice to paragraph 2.3.2.

2.2 Agency Services

2.2.1 Agency Services comprise:

- (a) the performance of certain functions of the Transporters and Independent Gas Transporters under the Code and the IGT Code, as the case may be (such functions to be performed by the CDSP being **Agency Functions**);
- (b) the performance of certain functions of the Transporters and Independent Gas Transporters pursuant to conditions of their respective Gas Transporter's Licences;
- (c) the performance of certain functions of the Transporters [and/or Independent Gas Transporters]^[10] in connection with other gas industry codes or agreements.

2.2.2 Agency Services within paragraph 2.2.1(a) ~~comprise~~include:^[11]

- (a) the performance of the Agency Functions of the CDSP in TPD Sections [B, C, D, E, F, S, V, X] and the performance of the agency functions in the equivalent provisions of the IGT Code;
- (b) the performance of the Agency Functions of the CDSP (in connection with data flows between Transporters and Independent Gas Transporters in IGTAD Sections D and E;
- (c) [1].

2.2.3 In relation to Agency Services which are Code Services, where the Agency Functions of the CDSP include sending or receiving Code Communications or making determinations on behalf of any Transporter:

- (a) the CDSP acts as agent of the relevant Transporter(s) in the performance of those functions.
- (b) in accordance with paragraph (a):
 - (i) 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;
 - (ii) 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;
 - (iii) 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;
- (c) where the Agency Service requires the CDSP to act on behalf of the Transporters in the exercise of any discretion or rights conferred on the Transporters, the Transporters may provide guidance or instructions to the CDSP in respect thereof.

2.2.4 The IGT Code contains provisions equivalent to paragraph 2.2.3.

2.3 Direct Services which are Code Services – further provisions applying in relation to the Code

2.3.1 The Parties acknowledge and agree, in connection with Direct Services which 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.

- 2.3.2 Where a provision of the Code referred to in paragraph 2.1.2, in relation to which the CDSP performs 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 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 (and GT Section B 2.4.1 does not apply to this paragraph).
- 2.3.3 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 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.
- 2.3.4 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;
 - (b) any Party may [propose a change] to the DSC to remove such conflict.
- 2.3.5 The IGT Code contains provisions equivalent to those of this paragraph 2.3.

2.4 Direct Services which are Code Services – further provisions applying in relation to the Code and IGT Code

- 2.4.1 In relation to Direct Services which are Code Services:
- (a) the CDSP acts as the operator in its own name of the Supply Point Register and the supply point register under the IGT Code;
 - (b) Code Communications and IGT Code Communications given or received by the CDSP under the provisions of the Code and the IGT Code referred to in paragraph [2.1.2] are given or received by it in its own name (as such operator), and not as agent of any particular Party.
- 2.4.2 So far as any of the Direct Functions comprise the functions to be fulfilled by the Supply Point Information Service (SPIS) pursuant to Standard Condition [or Special Standard Condition 31 \(SC31\)](#) of the Transporters' and Independent Gas Transporters' Gas Transporter's Licences:
- (a) the DSC shall take effect as an arrangement by which (as contemplated by SC31) the Transporters and the Independent Gas Transporters procure the establishment and subsequent operation and maintenance by the CDSP of the SPIS;
 - (b) the CDSP shall perform the [CDSP Central Data](#) Services and otherwise act so as to ensure the Transporters and the Independent Gas 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).~~

2.4.3 Where, in connection with Direct Services, a provision of the Code or the IGT Code confers on the CDSP any discretion or choice, or requires or entitles the CDSP to make a judgement or form an opinion, [12] in connection with any action taken or communication given by a particular Party (the **relevant** Party):

- (a) the Contract Management Committee may prescribe principles or guidance to be followed by the CDSP in doing so;
- (b) the CDSP may request the Contract Management 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 Customer 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 UK Link) 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 or IGT Code, as the case may be, on a persistent basis;
 - (vi) [others?].

2.4.4 [Where any provision of the Code or IGT Code is expressed:

- (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.][13]

2.4.5 Except as expressly provided in the Code or the DSC, no provision of the Code or the IGT Code is incorporated into the DSC and nothing in the Code or the IGT Code shall operate to impose any obligation or confer any right on the CDSP.

2.5 Amendment of DSC by Code Modification[14]

2.5.1 This paragraph 2.5 applies where the Code or the DSC provides that any part of the DSC may be amended, or may only be amended, where authorised by a Code Modification [pursuant to the Modification Rules](#).

- 2.5.2 Any Party may make a Modification Proposal to authorise the amendment of the relevant part of the DSC.
- 2.5.3 [Unless the CDSP agrees, such a Modification Proposal may not be a Self-Governance Modification Proposal.][15]
- 2.5.4 Pursuant to the DSC, the Transporters instruct the CDSP to amend the relevant part of the DSC in accordance with any Code Modification which authorises such amendment.
- 2.5.5 The CDSP shall make such amendment by notice to all Core Customers specifying the amendment and the date from which it is effective.

~~2.5.6 [Is it necessary to allow the CDSP to make a Modification Proposal.][16]~~

3 DATA SERVICES CONTRACT

3.1 Content of Data Services Contract[17]

3.1.1 The DSC comprises:

- (a) an agreement (**DSC Agreement**) in accordance with paragraph 3.1.2;
- (b) terms and conditions (**DSC Terms and Conditions**) in accordance with paragraph 3.1.3;
- (c) further documents (**CDSP Service Documents**) in accordance with paragraph 3.1.4.

3.1.2 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.

3.1.3 The DSC Terms and Conditions:

- (a) oblige the CDSP to perform the Non-Service Functions assigned to it under the Code and the IGT Code;
- (b) require the CDSP to provide [or otherwise procure] CDSP Services effectively to help facilitate the efficient and integrated operation of the gas industry;[18]
- (c) give effect to further provisions of the Code [and IGT Code?] which are expressed to operate so as to bind or benefit the CDSP (including applicable provisions of this Section D);
- (d) give effect to and make binding (as between the CDSP and each Party) each CDSP Service Document;
- (e) contain terms and conditions of the DSC which are not contained in the CDSP Service Documents;

- (f) may only be amended by way of Code Modification in accordance with paragraph 2.5.

3.1.4 The CDSP Service Documents:

- (a) comprise the following documents:
 - (i) a description (**CDSP Service Description**) of the CDSP Services, in accordance with paragraph [3.2];
 - (ii) a methodology (**Budget and Charging Methodology**) for budgeting CDSP Costs and setting CDSP Charges, in accordance with paragraph [3.3];^[19]
 - (iii) [a policy (**DSC Credit Policy**) for Core Customer credit risk management and debt enforcement in relation to the DSC; in accordance with paragraph [3.4];
 - (iv) the UK Link Manual in accordance with [paragraph 5^[20]];
 - (v) rules and procedures (**Change Management Control Procedures**) for amending the DSC CDSP Service Documents [*or other changes?*] in accordance with paragraph [3.4];
 - (vi) arrangements (**Contract Management and Reporting Arrangements**) for management and reporting in respect of the DSC in accordance with paragraph [3.6];
 - (vii) a policy (**Bespoke and Third Party Services Policy**) for Bespoke Individual Customer Services and Third Party Services in accordance with paragraph [3.7];
 - (viii) the DSC Transitional Arrangements Document in accordance with Part I paragraph 3 of the Transition Document, for so long as its provisions continue to be effective;
- (b) may be amended in accordance with the provisions of the DSC GTCs and the Change Control Procedures.

3.1.5 Each document comprising part of the DSC shall be kept up to date and published by the Transporters [on the Joint Office of Gas Transporters website].

3.2 CDSP Service Description

3.2.1 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 Direct Services in paragraph 2.1.1 and Agency Services in paragraph 2.2.1, including a definition of the service and (in certain cases) a service level or service levels for performance of the service.

3.2.2 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**.

3.2.3 The CDSP Service Description shall:

- (a) oblige the CDSP to perform the functions assigned to it under the Code and the IGT Code (as Code Services);
- (b) in relation to a Code Service, specify the CDSP Service by reference to the relevant provision of the Code or the IGT Code, as the case may be, (and in the case of a Direct Service, by identifying the relevant function of the CDSP as specified in the Code or IGT Code).

3.3 **[Budget and Charging Methodology]**^[21]

3.3.1 The Budget and Charging Methodology shall provide for:

- (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 [3.3.2] and [3.3.3];
- (f) the preparation of a Charging Statement and the amounts of the CDSP Charges for each [Gas Year], in accordance with paragraph [3.3.4].

- 3.3.2 For each DSC 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 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.
- 3.3.3 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 [3.3.1(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 [3.3.1(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 [3.3.1(d)(iii)].
- 3.3.4 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 3.3.1(c)) to that Customer Class;
- (c) the CDSP Charge(s) which shall apply in the Charging Year and the Charging Measure(s).

3.3.5 The [DSC] [Budget and Charging Methodology] shall provide for:

- (a) the CDSP to publish and keep under review the Budget and Charging Methodology and CDSP Charging Statement;
- (b) the Budget and Charging Methodology CDSP Charging Statement to facilitate the charging methodology objective set out in the CDSP Licence Condition;
- (c) the further matters required under the CDSP Licence Condition.

3.3.6 Subject to paragraph [3.3.5], 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.

3.3.7 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 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.]

3.4 Credit Policy

[to follow]

3.5 Change Control Procedures

[to follow]

3.6 Contract Management and Reporting Arrangements

[to follow]

3.7 Bespoke and Third Party Services Policy

3.7.1 The Bespoke and Third Party Services Policy shall set out the basis on which the CDSP may provide and may agree to provide Bespoke Individual Customer Services and Third Party Services.

3.7.2 The Bespoke and Third Party Services Policy shall include:

- (a) limits to the scope and amount of [Bespoke Individual Customer Services and] 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) the obligations (or the absence of obligations) of the CDSP to maintain any details of a Bespoke Individual Customer Service in confidence;
- (d) principles governing the liability which the CDSP may accept in the provision of Third Party Services;
- (e) the requirement to earn a margin (above an allocation of CDSP Costs) in the charges made for Third Party Services.

4 DSC COMMITTEES

4.1 Establishment and functions of DSC Committees

4.1.1 In connection with the DSC and the activities of the CDSP the following Network Code Sub-Committees (each a **DSC Committee**) are established^[22]:

- (a) Change Control Committee;
- (b) Contract Management Committee;^[23]
- ~~(b)~~(c) Credit Committee^{[24][25]}.

4.1.2 The Change Control Committee shall perform the functions and have the powers and duties provided in this Section D and in the DSC in connection with changes to the DSC.

4.1.3 The Credit Committee shall perform the functions and have the powers and duties provided in this Section D and in the DSC in connection with the management of Core Customer credit risk to the CDSP.

- [4.1.34.1.4](#) The Contract Management Committee shall perform the functions and have the powers and duties provided in this Section D and in the DSC in connection with the management of the DSC and review or approval of the activities of the CDSP.
- [4.1.44.1.5](#) A DSC Committee may establish a sub-committee for such purposes (within the scope of its functions, powers and duties) and comprising such members and on such terms as it decides; and references to a DSC Committee include any such sub-committee.
- [4.1.54.1.6](#) The DSC Committees are autonomous and (except as expressly provided in this Section D) the UNCC has no power to overrule a decision of a DSC Committee or reduce or qualify the scope of its functions, powers and duties.
- [4.1.64.1.7](#) A DSC Committee may decide to refer a matter (within the scope of its functions, powers and duties) to the other DSC Committee, but otherwise neither DSC Committee is subordinate to the other.
- [4.1.74.1.8](#) No decision of a DSC Committee may be made or (if made) shall be effective if the decision would cause the CDSP to be or act in breach of the DSC.

4.2 Constitution of DSC Committees

4.2.1 Each DSC Committee shall comprise representatives (**Committee Representatives**) of each Customer Class as follows:

- (a) [\[6\]](#) individuals appointed as representatives of Shipper Users (**Shipper User Representatives**)
- (b) [\[6\]](#) individuals appointed as representatives of Transporters and IGTs, of which:
 - (i) [\[1\]](#) shall be appointed by National Grid NTS (**NTS Representatives**);
 - (ii) [\[4\]](#) shall be appointed by DN Operators (**DNO Representatives**);
 - (iii) [\[1\]](#) shall be appointed by IGTs (**IGT Representatives**).

4.2.2 Annex [D-2] sets out the basis on which the Committee Representatives of each Customer Class are to be appointed and from time to time removed and/or replaced.

4.2.3 References to Committee Representatives of a Customer Group are to Committee Representatives appointed as representatives of the Customer Class or Customer Classes comprising that Customer Group.

4.2.4 [Each meeting of a DSC Committee shall be chaired by a person \(not being a Committee Representative or the Committee Secretary\) nominated by the Code Administrator](#)~~[\[Chairperson—appointed by Transporters with Ofgem approval?\]](#)~~.

4.2.5 [The Code Administrator shall nominate and may from time to time remove and replace\) a person \(not being a Committee Representative\) as secretary \(Committee Secretary\) for each DSC Committee.](#)~~[\[Committee Secretary—should the secretariat be with the JO or with the CDSP?\]](#)~~

[4.2.6 A person who is a Director of the CDSP may not be a Committee Representative.](#)

[4.2.7 The same person may be a Committee Representative on more than one DSC Committee.](#)

4.3 Voting arrangements

4.3.1 A decision of a DSC Committee shall be made:

- (a) where the DSC or this Section D expressly so provides, by the vote of the Committee Representatives of a particular Customer Group; and Committee Representatives of a Customer Class not comprised in that Customer Group shall not vote on the relevant matter~~such decision~~;
- (b) except as provided in paragraph (a), by the vote of all Committee Representatives (a Full Vote).

and in relation to any matter to be decided by ~~decision of a~~ DSC Committee, the **Voting Representatives** are the Committee Representatives who (pursuant to this paragraph 4.3.1) are to vote on the matter~~decision~~.

4.3.2 If (after considering the views of the CDSP) there is a bona fide difference of opinion within a DSC Committee as to the question whether a matter falls within paragraph 4.3.1(a), that question shall be decided under paragraph 4.3.1(b), but that decision is subject to appeal under paragraph 4.5.

4.3.3 Decisions of a DSC Committee shall be made:

- (a) where expressly so provided in the DSC or this Section D, by the unanimous vote of the Voting Representatives who are present at the relevant meeting and who vote in respect of the matter to be decided (a Unanimous Vote)~~decision~~;
- (b) except as provided in paragraph (a) by a simple majority of the votes of the Voting Representatives who are present at the relevant meeting and who vote in respect of the matter to be decided~~decision~~;

~~(b)~~ and accordingly where a Voting Representative is not present at the relevant meeting or abstains from voting in respect of a decision, such Voting Representative shall not be counted in determining whether a unanimous vote or (as the case may be) a simple majority of votes has been obtained.

~~4.3.4 The Committee Chairperson may exercise a casting vote, w~~Where on a vote conducted under paragraph 4.3.3~~2~~(b), there is an equal number of votes in favour of and against the matter to be decided~~making a decision~~;

(a) no person shall exercise a casting vote;

~~4.3.4(b)~~for the purposes of the provisions of paragraph 4.5 in respect of appeal of decisions, the DSC Committee shall be treated as having made a decision against the relevant matter.

4.3.5 It is expected that decisions of DSC Committees will generally be consensual; and the person chairing a meeting of a DSC Committee may, in respect of any matter to be decided, invite any Voting Representative who objects to indicate his or her objection, on the basis that (in the absence of any such objection) the matter shall be treated as decided (by a Unanimous Vote).

4.4 Proceedings of DSC Committees

- 4.4.1 Unless in conflict with any provision of this paragraph 4, the provisions of Sections 4.5 and 5 (excluding Section 5.1) of the Modification Rules shall apply (mutatis mutandis, and disregarding references therein to other provisions of the Modification Rules) in relation to each DSC Committee. *[Consider whether other interpretation required?]*
- 4.4.2 Committee Representatives (of whom at least [two] shall be Shipper Representatives and [two] shall be DNO Representatives, NTS Representatives or IGT Representatives, excluding the Committee Chairperson) present at a meeting of a UNC Committee who can exercise [six] votes shall be a quorum.^[26]
- 4.4.3 The Committee Chairperson may not make a determination (as provided in Section 5.10.1 of the Modification Rules) which would exclude a representative of a Party from attending or participating in the business of a meeting of a DSC Committee (but without prejudice to any other provision of this Section D or the DSC which limits the right of a Party to attend such a meeting).
- 4.4.4 The CDSP is entitled and required to attend (by one or more representatives) each meeting of a DSC Committee.
- ~~4.4.4.4.5~~ 4.5 In relation to any matter to be considered by a DSC Committee, the next eligible^[27] meeting of the DSC Committee is the first meeting for which the matter can be included in the meeting's agenda in accordance with the requirements in paragraph 5 (including its provisions for meetings called on short notice, where applicable) of the Modification Rules.

4.5 Appeal

- 4.5.1 This paragraph [4.5] applies where this Section D or the DSC provides that a decision of a DSC Committee may be appealed.
- 4.5.2 The grounds on which a decision of a DSC Committee may be appealed are:
- (a) that the decision is not in accordance with a provision of this Section D or the DSC; or
 - (b) that the decision is not consistent with the DSC Objectives.
- ~~4.5.24.5.3~~ 4.5.3 A Customer or Customers of a Customer Class may, within ~~[ten five-Business Days~~ Days after the publication of a decision of a DSC Committee, give notice to the Committee Secretary of appeal of the decision, if [one or more of] [a majority of] the Committee Representatives of that Customer Class voted against the decision.^[28]
- ~~4.5.34.5.4~~ 4.5.4 Notice of appeal of a decision of a DSC Committee shall specify the decision in question and the grounds on which the person giving the notice objects to the decision.
- ~~4.5.44.5.5~~ 4.5.5 The decision is provisionally appealed if notice of appeal is given in accordance with paragraph [4.5.2] ~~by at least [30]% by number of the Customers of that Customer Class.~~^[29]
- ~~4.5.54.5.6~~ 4.5.6 Where a decision is provisionally appealed, the Committee Secretary shall refer the matter to the UNCC which shall be requested to give its opinion of the matter including whether it considers the decision was appropriate.
- ~~4.5.64.5.7~~ 4.5.7 The opinion of the UNCC does not bind the Parties or the CDSP or the DSC Committee.

~~4.5.74.5.8~~ Following the giving of the UNCC's opinion [the Customer or Customers who gave notice of appeal may \(within five Business Days after the publication of the UNCC's opinion\) give notice to the Committee Secretary confirming the appeal.](#):

~~(a) the Customer or Customers who gave notice of appeal may (within five Business Days after the publication of the UNCC's opinion) give notice to the Committee Secretary confirming the appeal;~~

~~(b) the appeal is confirmed if notice confirming the appeal is given in accordance with paragraph (a) by at least [30]% by number of the Customers of the relevant Customer Class.[30]~~

~~4.5.84.5.9~~ Where the appeal of a decision of a DSC Committee is confirmed, the matter shall be referred to the Authority as follows:

(a) ~~the Committee Secretary shall send to the Authority a statement of the decision subject to appeal together with relevant papers which were considered by the UNC Committee in reaching its decision.[31]~~

(b) any Customer may, within five Business Days after the statement in paragraph (a) is published, send to the Authority representations in respect of the matter;

(c) the Authority is requested to determine the matter, [by reference to the grounds of appeal in paragraph 4.5.2](#), in one of the following ways:

(i) by upholding the decision of the DSC Committee;

(ii) by making a different decision in substitution for the DSC Committee's decision;

(iii) [by remitting the matter to the DSC Committee for a further decision with such guidance or instruction as the Authority shall decide.\[32\]](#)

~~4.5.94.5.10~~ The decision of the Authority in respect of the appeal is final and [binding\[33\]](#).

~~4.5.104.5.11~~ Until the Authority makes a determination (or if the Authority makes no determination) in respect of an appeal, the decision of the DSC Committee stands; but where a decision is provisionally appealed the DSC Committee shall make a separate decision (under paragraph 4.3.1(b)) as to whether the CDSP is to act on the decision pending confirmation of the appeal and (if confirmed) the decision of the Authority.

5 UK LINK

5.1 Introduction

5.1.1 This paragraph 5 sets out:

(a) requirements of the Code in respect of UK Link and the UK Link Manual; and

(b) the basis on which Code Communications are to be given as UK Link Communications.

5.1.2 For the purposes of the Code:

(a) **"UK Link"** means the information technology and communications (ITC) systems (in aggregate) used by the CDSP to provide CDSP Services (including an information exchange system allowing the electronic transfer of information between the CDSP and UK Link Users and access to other parts of such IT systems), as described in the UK Link Manual, and as from time to time modified in accordance with the ~~Change Management Control~~ Procedures;

(b) **"UK Link (Transmission)^[34]"** means those parts of UK Link which support the implementation of the provisions of TPD Section B in relation to NTS Entry Capacity and NTS Exit Capacity and of TPD Sections E and F in respect of the determination of Energy Balancing Charges, as further specified in the UK Link Manual;

~~(b)~~(c) a **"UK Link User"** is:

- (i) the CDSP;
- (ii) any Party in its capacity as a user of UK Link, [provided that a Discontinuing User shall cease to be a UK Link User upon the User Discontinuance Date]; and
- (iii) any other person permitted to have access to and use of UK Link in accordance with the Code, the UK Link Manual and/or the Third Party Services Policy;

~~(c)~~(d) a **"UK Link Communication"** is a message transmitted by a UK Link User by means of UK Link in accordance with the requirements of the UK Link Manual; and for these purposes a **"message"** is a discrete transmission electronically sent or electronically posted by a UK Link User;

~~(d)~~(e) a **"Code UNC Communication"** is:^[35]

- (i) a ~~TPD Code~~ Communication;
- (ii) an IGTAD Communication (excluding an IGTAD Communication given pursuant to IGTAD Section B); and
- (iii) for the purposes of the provisions of this paragraph 5 relating to the UK Link Manual, an IGT Code Communication which is stated in the IGT Code to be a UNC Communication^[36].

5.1.3 The CDSP will secure the establishment and operation of UK Link, and will afford to UK Link Users access to and use of UK Link.

5.1.4 Parties and the CDSP will communicate with each other by means of UK Link, subject to and in accordance with this paragraph 5.

5.1.5 Parties and the CDSP are required to comply with the relevant requirements of this paragraph 5 and the UK Link Manual in respect of access to and use of UK Link.

5.1.6 Annex D-1 sets out provisions relating to facilities within UK Link available for trading between Users.

5.2 UK Link Manual

- 5.2.1 The "**UK Link Manual**" is the document of that title containing the following matters^[37]:
- (a) [/]
 - (b) [/].
- 5.2.2 The UK Link Manual is a DSC Service Document for the purposes of this Section D and the DSC, and is a UNC Related Document for the purposes of the Code.
- 5.2.3 It shall be an obligation of a UK Link User to comply with a provision of the UK Link Manual where such provision is expressly identified in the UK Link Manual as one which is made binding on such UK Link User by this paragraph 5, and not otherwise^[38]; but it is acknowledged that as respects all provisions of the UK Link Manual and the DSC (whether or not made binding by this paragraph 5) a UK Link User may be unable to make a UK Link Communication (and so may be unable to exercise an entitlement to make a Code Communication required to be made as such) where the UK Link User does not comply with such provisions.
- 5.2.4 [The UK Link Manual does not form a part of the Code (subject to [this paragraph 5.2]); and in case of any conflict between the Code and the UK Link Manual, the Code shall prevail^[39].]

5.3 Code Communications

- 5.3.1 A UK Link Communication given in accordance with this paragraph 5 and the UK Link Manual shall be treated as an effective and valid Code Communication, and each Party confirms that it intends and agrees that UK Link Communications shall have legal effect for the purposes of the Code.
- 5.3.2 The UK Link Manual specifies in respect of each Code Communication therein listed whether it is to be given as a UK Link Communication, by Active Notification System, by Conventional Notice, by e-mail, by facsimile or by telephone, and in some cases alternative such means by which it may be given; and (subject to paragraph 5.2.4 and [GT Section B5.1.2]) a Code Communication may only be given by the means so specified or (where alternative such means are specified) by one of such alternative means.
- 5.3.3 Where the Code or the UK Link Manual specifies the form and/or format of UK Link Communication by which a particular Code Communication is required to be given, that Code Communication may be given only in that form and/or that format.
- 5.3.4 In the event of certain failures (referred to in [paragraph 5]) of UK Link, Code Communications shall be (and are permitted to be) given in accordance with [paragraph 5].
- 5.3.5 Where a Code Communication which is required to be given as a UK Link Communication (and is not permitted to be given by another means except pursuant to paragraph 5.3.4) is not given in accordance with the requirements of this paragraph 5 and the UK Link Manual, and as a result is not properly received by the intended recipient, it shall be deemed not to have been given and shall be of no effect.
- 5.3.6 The failure of a UK Link User to comply with a requirement that a Code Communication be given as a UK Link Communication, or as to the form or format in which such UK Link Communication is to be given, shall not of itself be a breach of the Code (but without prejudice to paragraph 5.3.5 or to any breach which may result from the failure to give the Code Communication).

~~5.4~~ ~~[Additional Access to UK Link System]~~

~~5.4.1~~ UK Link incorporates (in addition to facilities for making Code Communications referred to elsewhere in this paragraph 5) certain facilities, as described in the UK Link Manual, enabling Users:

- ~~(a)~~ to obtain certain information concerning the User's entitlements and obligations under the Code or other information relating to the User and maintained by the Transporter under the Code; and
- ~~(b)~~ to verify the accuracy of or otherwise to validate UK Link Communications made by that User.

~~5.4.2~~ A User may, by using the UK Link Network, access the facilities within the UK Link System referred to in paragraph 5.4.1, subject to and in accordance with the UK Link Manual, for the purposes set out in paragraphs 5.4.1(a) and (b).

~~5.4.3~~ Notwithstanding paragraph 5.4.2, each User shall be responsible (without relying on the facilities referred to in paragraph 5.4.1) for maintaining appropriate records of its entitlements and obligations under the Code and other information relating to that User, and for the accuracy and validity (and for maintaining such information as will ensure the accuracy and validity) of Code Communications made by it.

~~5.4.4~~ Accordingly a User shall not be relieved of any obligation or liability under the Code by reason of any failure (including defective operation) of any such facility as is referred to in paragraph 5.4.1, and the Transporter will not be responsible for the consequences of any such failure, provided that the Transporter will notify Users as soon as reasonably practicable upon becoming aware of any such failure.

~~5.4.5~~ No message transmitted by or to a User in the course of accessing the facilities referred to in paragraph 5.4.1 shall be a Code Communication.

~~5.4.6~~ Paragraphs 5.4.3 and 5.4.4 are without prejudice to any express obligation of a Transporter under the Code to provide information to Users, or as to the accuracy of information subject to any such obligation.][40]

~~5.5.4~~ ~~Planned UK Link downtime][41]~~

~~5.5.15.4.1~~ Pursuant to the UK Link Manual:

- ~~(a)~~ on each Day and/or particular Days UK Link, or (where so specified in the UK Link Manual) particular parts of UK Link, will not be operational at certain times and for certain periods ("**planned UK Link downtime**") specified in or determined in accordance with the UK Link Manual; and
- ~~(b)~~ during planned UK Link downtime, UK Link Users will not be able to have access to or use UK Link or the relevant part thereof, and accordingly will not be able to make UK Link Communications, except to the extent, if any, provided for in the DSC or the UK Link Manual.

~~5.5.25.4.2~~ During planned UK Link downtime, notwithstanding any other provision of the Code, Parties will not be entitled to make any Code Communication which is required to be made as a UK Link Communication, except to the extent (if any) provided for in the UK Link Manual or (where part only of UK Link is subject to such downtime) where such part is not required to

enable such communication to be made, and their respective rights under the Code shall be construed accordingly.

~~5.5-35.4.3~~ Except as provided in paragraph 5.9.3(b), the unavailability of UK Link during planned UK Link downtime will not be a Code Contingency for the purposes of paragraph 5.9; but any such unavailability which extends or the CDSP reasonably anticipates will extend beyond the period of planned UK Link downtime will (subject to and in accordance with the Contingency Procedures) be a Code Contingency.

~~5.6~~**5.5 Access to and use of UK Link**

~~5.6-15.5.1~~ For the purposes of the Code:

- (a) the UK Link Manual sets out requirements (**UK Link Access Requirements**) which UK Link Users must comply with in order to have access to and use UK Link;
- (b) (without prejudice to the DSC) it is a requirement for the purposes of the Code that each Party complies with the UK Link Access Requirements;
- (c) where a Party does not comply with the UK Link Access Requirements, the Party may be unable to give or receive Code Communications, and (unless otherwise provided) such inability shall not relieve the Party from any obligation or liability under the Code.

~~5.6-25.5.2~~ The security arrangements set out in the UK Link Manual include the basis on which a UK Link User may nominate representatives as authorised to access and use UK Link on behalf of and using the identification of that UK Link User.

~~5.6-35.5.3~~ Any other UK Link User shall be entitled to assume that any person nominated as such a representative by a UK Link User or otherwise using the identification of the UK Link User is fully authorised to access and use UK Link (and in particular to initiate, authorise and transmit, and to receive or access for the purposes of receiving, UK Link Communications); and any UK Link Communication transmitted by such a person shall be treated as given by the UK Link User.

~~5.6-45.5.4~~ In any case (including a Code Contingency) where the CDSP suspends or inhibits access (by a UK Link User or UK Link Users) to UK Link in accordance with DSC, such UK Link User(s) may be prohibited from using the UK Link and it is acknowledged that in such circumstances, such UK Link User(s) may be unable to make a UK Link Communication (and so may be unable to exercise an entitlement to make a Code Comm required to be made as such).

~~5.7~~**5.6 UK Link Communications**

~~5.7-15.6.1~~ The UK Link Manual specifies:

- (a) different forms of UK Link Communication; and
- (b) for each Code Communication required to be given as a UK Link Communication, the required form of UK Link Communication.

~~5.7-25.6.2~~ For each form of UK Link Communication, the UK Link Manual specifies (in respect of messages comprised in that form of UK Link Communication):

- (a) the class or classes of UK Link User by which and to which each message is sent;
- (b) in certain cases, times at which and/or periods within which such messages may be sent;
- (c) the basis (if any) on which the message is validated as complying with applicable requirements of the UK Link Manual and may be rejected by UK Link where invalid;
- (d) the basis on which and the facility or system (within UK Link) in which the sending or receipt of the message will be recorded;
- (e) the basis on which the time and date of sending or receipt of the message will be recorded;
- (f) whether the message is treated as received by the recipient when recorded as sent or as received;
- (g) whether a recipient of the message must access the message within UK Link after the message has been sent and treated as received;
- (h) in a case within paragraph (g), the basis on which the recipient(s) of the message can access the message, and the period within which they may do so (and the basis on which the message may or will be removed after such period) and following which the message is or may be no longer accessible;
- (i) whether a message acknowledging receipt of the UK Link Communication is automatically generated and sent;
- (j) in a case within paragraph (i), procedures to be followed by the sender and intended recipient where no such acknowledgment is received;
- (k) [/]

5.7.35.6.3 The provisions of the UK Link Manual referred to in paragraph [5.6.2] are effective for the purposes of the Code; and accordingly where any Code Communication is sent as a UK Link Communication:

- (a) the Code Communication may be given only in accordance with those provisions;
- (b) the Code Communication shall be deemed given and received in accordance with those provisions; and
- (c) any question as to whether and when the Code Communication was effectively given or received shall be determined in accordance with those provisions.

5.7.45.6.4 In any case referred to in paragraph [5.6.2(g)]:

- (a) each UK Link User which is a recipient of the UK Link Communication shall be responsible for accessing the relevant part of UK Link (to access such messages) at such intervals as shall be appropriate and prudent;
- (b) the relevant Code Communication shall be deemed to have been received by a UK Link User to whom it is transmitted at the time determined in accordance with the UK

Link Manual, irrespective of whether or when accessed (as referred to in Section 5.6.2(h) by that UK Link User.

~~5.7-55.6.5~~ In any case referred to in paragraph [5.6.2(j)]:

- (a) the relevant Parties shall comply with the procedures in the UK Link Manual;
- (b) the question whether the message is treated as received by the intended recipient shall be determined, by reference to those procedures, as set out in the UK Link Manual.

~~5.8~~**5.7 Active Notification**

~~5.8-15.7.1~~ An "**Active Notification Communication**" is a message transmitted by National Grid NTS by means of the Active Notification System, as described in the UK Link Manual.

~~5.8-25.7.2~~ The "**Active Notification System**" is the system (as described in the UK Link Manual) provided and operated by National Grid NTS for transmitting messages to a warning device ("**Active Notification Device**").

~~5.8-35.7.3~~ The Active Notification System does not form part of UK Link and the CDSP has no functions in relation to the Active Notification System.

~~5.8-45.7.4~~ An Active Notification Communication shall be deemed to have been received by the UK Link User to whom it is transmitted at the time it is logged 'as sent' by the Active Notification System.

~~5.8-55.7.5~~ Each UK Link User (of a class to which Active Notification Communications may be sent) shall ensure that at all times a representative of the UK Link User has an Active Notification Device in his continuous possession and control.

~~5.8-65.7.6~~ An Active Notification Communication may (where so provided in the UK Link Manual) be notice to the effect that a Code Communication has been given by National Grid NTS by some other permitted means (in which case the Active Notification Communication will not contain the Code Communication itself).

~~5.9~~**5.8 Audit Trail**

~~5.9-15.8.1~~ The CDSP will retain a complete and chronological record of all UK Link Communications transmitted received by means of UK Link, for the minimum period applicable in respect of the relevant communication, as specified in the UK Link Manual, following transmission or receipt.

~~5.9-25.8.2~~ The CDSP (in accordance with the DSC) and each other UK Link User shall ensure that electronic or computer records containing UK Link Communications are readily accessible and are capable of being reproduced in a human readable form and of being printed, if required.

~~5.9-35.8.3~~ Records made by the systems (as referred to in paragraph [5.6.2(d)]) within UK Link of the transmission or receipt of UK Link Communications, and (as respects UK Link Communications the transmission or receipt of which is not so recorded) other records retained by the CDSP and/or UK Link Users in accordance with this paragraph 5.8, shall be prima facie evidence of the transmission or receipt of such UK Link Communications.

~~5.9.45.8.4~~ In the event of a dispute between any UK Link Users and/or the CDSP as to any Code Communication the sending of which was (as a UK Link Communication) recorded by UK Link, the CDSP will, as soon as reasonably practicable after a request to do so, provide to the UK Link User a copy of what is recorded (in respect of such communication) in such facility.

~~5.10.5.9~~ Contingency Arrangements

~~5.10.15.9.1~~ For the purposes of the Code:

- (a) the "**Contingency Procedures**" are procedures contained in the Code Contingency Guidelines Document forming part of the UK Link Manual for the UK Link Users [and the CDSP] to communicate with each other in the event of a Code Contingency;
- (b) a "**Code Contingency**" is an event or circumstance affecting UK Link, of a kind specified in the Contingency Procedures, which affects the ability of the UK Link Users [or the CDSP] (or where so specified in the Contingency Procedures, of a particular UK Link User or particular UK Link Users) to give or receive UK Link Communications, or to generate information to be contained in a Code Communication;
- (c) The "**Code Contingency Guidelines Document**" is the document so titled forming part of the UK Link Manual and containing consolidated guidelines in respect of Code Contingencies.

~~5.10.25.9.2~~ The Parties and the CDSP adopt and (in the event of a Code Contingency) shall implement the relevant Contingency Procedures.

~~5.10.35.9.3~~ [A Code Contingency may (where so specified in the Contingency Procedures) include:

- (a) a degradation in performance of UK Link which falls short of a failure thereof (where the Contingency Procedures are likely, having regard to such degradation, to provide a superior method of communicating);
- (b) planned UK Link downtime which occurs other than between 03:00 hours and 05:00 hours on any Day.][42]

~~5.10.45.9.4~~ In the event of a Code Contingency, where so provided in the Contingency Procedures, a Code Communication which would normally be required to be given as a UK Link Communication may (notwithstanding any other provision of the Code or the UK Link Manual) be given by any means provided for in the Contingency Procedures.

~~5.10.55.9.5~~ Except as provided in the Code or the Contingency Procedures, the provisions of the Code will apply in and will not be affected by a Code Contingency; and in particular any requirements under the Code or the UK Link Manual as to the timing and content of any Code Communication, and the giving of communications by means other than UK Link, will continue to apply.

~~5.10.65.9.6~~ Under the Contingency Procedures communication resources of UK Link Users [and the CDSP] will be used for the purposes of facilitating the continued giving (in accordance with the Contingency Procedures) of certain kinds of Code Communications in a Code Contingency, and so may not be available for other kinds of Code Communications; and accordingly in any case where the Contingency Procedures do not make provision for the

giving of a particular kind of Code Communication (which is required to be given as a UK Link Communication), it may not be possible for Code Communications of that kind to be given.

~~5.10.7~~5.9.7 It is agreed that where certain Code Contingencies occur or continue for particular periods or at particular times:

- (a) the application of certain provisions of the Code (in particular, the requirement for Users to pay certain charges, or the basis on which such charges are determined), will be modified; and/or^[43]
- (b) the timetable provided for in the Code for the giving of certain Code Communications may be extended

as provided in the relevant Section of the Code.

~~5.10.85~~5.9.8 A Code Contingency of the kind referred to in paragraph 5.9.7 is a "**Class A Contingency**".

~~5.10.95~~5.9.9 Code Contingencies which are Class A Contingencies are specified, for the purposes of the relevant provisions of the Code, in the Contingency Procedures and referenced where appropriate in the relevant Sections of the Code.

~~5.10.105~~5.9.10 Where at any time a failure in or degradation in the performance of any part of UK Link is likely to occur, or such a degradation has occurred, and in the CDSP's judgement it will be possible to prevent such failure or degradation, or remedy such degradation, by suspending access to and use of UK Link or a part thereof at a time and for a period which will not result in significant inconvenience to UK Link Users in the use of UK Link for making Code Communications:

- (a) the CDSP shall be entitled (in accordance with the DSC), without initiating any Contingency Procedures (but subject to paragraph (b)) which otherwise would be applicable, to suspend access to and use of UK Link (in accordance with such procedures as to notification of UK Link Users and otherwise as may be provided in the UK Link Manual);
- (b) if at any time subsequently it becomes apparent to the CDSP that such suspension will continue for a period or at a time at which it will result in such inconvenience to Users, any applicable Contingency Procedures will be initiated.^[44]

Annex D-1[45] - TRADING BETWEEN USERS

1 General

- 1.1 Users may use the UK Link Network (in addition to use for communicating with the Transporter) for the purposes of making User Trade Communications, in accordance with and subject to the relevant provisions of the UK Link Manual.
- 1.2 A "User Trade Communication" is:
- (a) an invitation by a User to other Users to make such an offer as is referred to in paragraph (b);
 - (b) an offer by a User to another User to make:
 - (i) a System Capacity Transfer, as Transferee User;
 - (ii) a Storage Transfer, as transferee;
 - (c) an acceptance by a User of such an offer (made by another User) as is referred to in paragraph (b) (such Users, the "**Trading Users**").
- 1.3 A User Trade Communication shall be a UK Link Communication but (without prejudice to paragraph 4.1) is not a Code Communication.
- 1.4 Without prejudice to any other provision of the Code, nothing in this paragraph 1 prevents any User agreeing with another User a Capacity Transfer, Trade Nomination or Storage Transfer other than pursuant to a User Trade Communication.

2 Basis of User Trade Communications

- 2.1 A User Trade Communication shall be made as a U-T On-line Communication (by the sending User) and received as a T-U On-line Communication (by the receiving User); and for these purposes the UK Link System includes a facility (as described in the UK Link Manual) by which on receipt of the U-T On-line Communication (designated by the sending User as a User Trade Communication) the related T-U On-line Communication is automatically transmitted (and without prejudice to paragraph 4.1 there is no instrumentality of the Transporter in such transmission nor will the Transporters be concerned with such User Trade Communication).
- 2.2 The sending and receiving of a User Trade Communication will be logged by the Automatic Audit Trail Facility in accordance with GT Section B5.6.4(b)[46].
- 2.3 The UK Link Manual sets out:
- (a) the basis on which a User Trade Communication may be made, and restrictions applying thereto;
 - (b) details of the information concerning the User making the User Trade Communication, or comprised in that communication, which will be available to or accessible by other Users by or on the UK Link Network.

3 Effect of User Trade Communications: Users

- 3.1 Each User agrees with each other User that:
- (a) a User Trade Communication shall be treated as a valid and effective communication as between Users;
 - (b) a User Trade Communication under paragraph 1.2(b) shall be an offer capable of acceptance by the User to whom it is addressed;
 - (c) a User Trade Communication under paragraph 1.2(c) shall be an acceptance of an offer giving rise to a contract between the relevant Users.
- 3.2 The terms of the contract referred to in paragraph 3.1(c) shall be those terms contained in the relevant User Trade Communication(s) and such other terms as shall have been agreed by the Trading Users or in default of such agreement the terms in the Appendix to this Annex D-1.
- 3.3 [GT Section B2.4.1] shall not apply in respect of paragraphs 3.1 and 3.2.

4 Effect of User Trade Communication: Transporter

- 4.1 Upon a User making a User Trade Communication under paragraph 1.2(c), the Trade Notices will (as described in the UK Link Manual) automatically be given, and shall be treated as having been given for all purposes of the Code, by that User and the User who made the corresponding User Trade Communication under paragraph 1.2(b).
- 4.2 For the purposes of paragraph 4.1, the "**Trade Notices**" are:
- (a) in the case of a System Capacity Transfer, the notices required under [Section B5.2.1];
 - (b) in case of a Storage Gas Transfer, the notices required by the relevant Storage Terms.
- 4.3 [Except as provided in paragraph 4.1 or where the Transporter is acting as User, the Transporter shall not be concerned with a User Trade Communication or any contract referred to in paragraph 3.2 (and in particular shall not be a party to such a contract).[47]]

APPENDIX TO ANNEX D-1

1 Application of this Appendix

- 1.1 This Annex does not form part of the Uniform Network Code.
- 1.2 This Annex sets out certain terms which, subject to paragraph 1.3, are incorporated into every contract arising as a result of a User Trade Communication made under Annex D-1 paragraph 1.2(c) (a "**User Trade Contract**").
- 1.3 In accordance with Annex D-1 paragraph 3.2, a term set out in this Annex is not incorporated into a User Trade Contract:
- (a) if the Trading Users have expressly agreed another term; or
 - (b) to the extent that such term is inconsistent with any term expressly agreed by the Trading Users.

2 Interpretation

- 2.1 Terms used in this Annex have the same meanings as in the Code.
- 2.2 For the purposes of this Annex:
- (a) "**applicable daily rate**" means:
 - (i) in respect of System Capacity, the Applicable Daily Rate (in pence per kWh/Day) of the relevant Capacity Charge; and
 - (ii) in respect of Storage Space, the Applicable Storage Space Charge Rate (in pence per kWh of Storage Space for a Storage Year) divided by 365; and
 - (iii) in respect of Storage Deliverability, the Applicable Storage Deliverability Charge Rate (in pence per kWh/Day of Storage Deliverability for a Storage Year) divided by 365; and
 - (iv) in respect of Storage Injectability, the Applicable Storage Injectability Charge Rate (in pence per kWh/Day of Storage Injectability for a Storage Year) divided by 365;
 - (b) "**Capacity Transfer**" means a System Capacity Transfer or a Storage Capacity Transfer;
 - (c) "**Capacity Transfer Day**" means a Day in the Relevant Transfer Period in respect of which the Trade Transferee is treated as holding the Transferred Capacity in accordance with the Code;
 - (d) "**Relevant Transfer Period**" means:
 - (i) in respect of a System Capacity Transfer the Transfer Period;
 - (ii) in respect of a Storage Capacity Transfer the Storage Transfer Period;

- (e) **"Trade Transferor"** means:
 - (i) in respect of a System Capacity Transfer the Transferor User; and
 - (ii) in respect of a Storage Transfer the Transferor Storage User;
- (f) **"Trade Transferee"** means:
 - (i) in respect of a System Capacity Transfer the Transferee User; and
 - (ii) in respect of a Storage Transfer the Transferee Storage User;
- (g) **"Transferred Capacity"** means Transferred System Capacity or Transferred Storage Capacity.

3 Price

3.1 Capacity Transfer

- 3.1.1 In respect of a Capacity Transfer the Trade Transferee shall, subject to paragraph 3.1.2, pay to the Trade Transferor in respect of each month some or all of the Days of which are Capacity Transfer Days a sum determined in accordance with the following formula:

$$A = B * C * D$$

where

- A = the sum payable by the Trade Transferee in respect of the month;
- B = the applicable daily rate in respect of the Capacity Transfer;
- C = the amount of the Transferred Capacity; and
- D = the number of Capacity Transfer Days in that month.

- 3.1.2 If in respect of any Capacity Transfer Day in a month the Trade Transferor ceases to be liable to pay to National Grid NTS or National Grid LNG Storage the relevant Capacity Charges or Storage Capacity Charges in respect of an amount of Transferred Capacity in accordance with the Code, the sum which would but for this paragraph 3.1.2 be payable by the Trade Transferee pursuant to paragraph 3.1.1 in respect of that month shall be reduced by a sum equal to the aggregate of the sums for each such Capacity Transfer Day, each such sum being calculated in accordance with the following formula:

$$E = F * G$$

where:

- E = is the sum by which the Trade Transferee's liability is reduced in respect of such Day;
- F = is the applicable daily rate; and
- G = is the amount of Transferred Capacity in respect of which the Trade Transferor ceased to be liable to pay Capacity Charges or Storage Capacity Charges in respect of such Day.

3.2 Storage Gas Transfer

- 3.2.1 In respect of a Storage Gas Transfer the Trade Transferee shall pay to the Trade Transferor a sum determined in accordance with the following formula:

$$H = I * J$$

where:

- H = is the sum payable by the Trade Transferee in respect of the Storage Gas Transfer;
- I = the Operating Margins WACOG (in pence per kWh) for the Transfer Storage Facility on the date the Operating Margins WACOG was last calculated before the transfer date; and
- J = is the Transferred Gas-in-Storage (in kWh).

4 VAT

The sums payable pursuant to a User Trade Contract are exclusive of Value Added Tax.

5 Payment

5.1 Sums payable by the Trade Transferee to the Trade Transferor under a User Trade Contract shall be paid on or before whichever is the later of:

- (a) the 5th Day after the Day on which the Trade Transferee receives an invoice in respect of such sum from the Trade Transferor; and
- (b) the 15th Day of the month following the relevant month (in accordance with paragraph 5.2)

5.2 For the purposes of paragraph 5.1 the relevant month is:

- (a) for a Capacity Transfer, the month to which the invoice relates; and
- (b) for a Storage Gas Transfer, the month in which the User Trade Communication under Annex D-1 paragraph 1.2(c) was made.

6 Interest

6.1 Where any sum payable pursuant to a User Trade Contract is not paid on or before the due date for payment in accordance with paragraph 5.1 (the "**Due Date**"), the paying User shall pay interest, after as well as before judgment, at the rate for the time being of Barclays Bank plc plus 3 percentage points per annum on the unpaid amount from the Due Date until the day on which payment is made.

6.2 Interest payable pursuant to paragraph 6.1 shall accrue on a daily basis and on the basis of a 365 day year.

7 Governing law and jurisdiction

7.1 Each User Trade Contract shall be governed by, and construed in all respects in accordance with, English law.

7.2 The parties to a User Trade Contract irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with that User Trade Contract.