











UNC Workgroup Report		At what stage is this document in the process?
<h1>UNC0604S:</h1> <h2>Central Data Services Provider – Arrangements following implementation of Project Nexus</h2>		<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">01</span> Modification         </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">02</span> Workgroup Report         </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">03</span> Draft Modification Report         </div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;"> <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px 5px;">04</span> Final Modification Report         </div> </div>
<p><b>Purpose of Modification:</b></p> <p>This modification identifies measures necessary to ensure the FGO arrangements implemented under Modification 0565A are effective upon implementation of Project Nexus by aligning the services introduced by Modifications 0432, 0434 and 0440 (and other Nexus related modifications with a PNID) to the new CDSP direct and agency service structure.</p>		
	<p>The Workgroup recommends that this modification should:</p> <ul style="list-style-type: none"> <li>be subject to self-governance procedures</li> <li>proceed to Consultation</li> </ul> <p>The Panel will consider this Workgroup Report on 16 March 2017. The Panel will consider the recommendations and determine the appropriate next steps.</p>	
	<p>High Impact:</p> <p>None</p>	
	<p>Medium Impact:</p> <p>Large and Small Transporters, Shipper Users and Transporter Agency (CDSP)</p>	
	<p>Low Impact:</p> <p>None</p>	

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<b>Timetable</b>		
<b>Modification timetable:</b>		
Initial consideration by Workgroup	06 January 2017	
Amended Modification considered by Workgroup	23 February 2017	
Workgroup Report presented to Panel	16 March 2017	
Draft Modification Report issued for consultation	16 March 2017	
Consultation Close-out for representations	06 April 2017	
Final Modification Report available for Panel	07 April 2017	
Modification Panel decision	20 April 2017	
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# 1 Summary

## What

This modification identifies measures necessary to ensure the Xoserve Funding, Governance and Ownership (FGO) arrangements continue to be effective upon implementation of Project Nexus by aligning the amended services to the CDSP direct and agency service structure.

## Why

Subject to approval by the Authority, the FGO arrangements are planned to be implemented on 01 April 2017, and before the implementation of Project Nexus on 01 June 2017. Consequently the FGO arrangements do not reflect certain elements of the Project Nexus arrangements and the provided CDSP services would therefore not be reflective of the contractual requirements.

## How

Modification of the UNC is required to amend the FGO arrangements planned to be introduced under UNC Modification 0565A 'Central Data Service Provider – General framework and obligations'. These changes are necessary to reflect the services introduced by Modifications 0432, 0434 and 0440 (and other Nexus related modifications with a PNID) to the CDSP direct and agency service structure created by Modification 0565A.

# 2 Governance

## Justification for Urgency, Authority Direction or Self-Governance

The Modification Panel determined that this is a Self-Governance modification. This is because the modification is not expected to have a material effect on UNC parties, Independent Gas Transporters (iGTs) or the CDSP. The changes are largely concerned with ensuring relevant Code provisions (TPD Sections E, G, H and M) identified within this Modification are updated to reflect the post Project Nexus versions of this text.

## Requested Next Steps

This modification should:

- be subject to self-governance
- proceed to Consultation

The Workgroup agreed that this modification should follow Self-Governance for the reasons stated above and that this modification has been sufficiently assessed for it to proceed to consultation.

# 3 Why Change?

It had originally been anticipated that Modification 0565A would be implemented after the Project Nexus Implementation Date (PNID). Following the deferral of PNID to 01 June 2017 the strategy for FGO arrangements was modified to maintain the 01 April 2017 implementation of 0565A with the expectation that further amendments were required to align with Modifications 0432, 0434 and 0440 (and other Nexus related modifications with a PNID, together comprising the Project Nexus changes).

It should be noted that Modification 0565A is to be implemented on 01 April 2017. However, the changes described in this modification are agnostic to Modification 0565A; hence it should proceed without further reference to it.

## 4 Code Specific Matters

### Reference Documents

The Data Services Contract (DSC) proposed under Modification 0565A.

### Knowledge/Skills

No specific skills or knowledge are necessary.

## 5 Solution

Modification of the UNC (and DSC) is proposed as follows:

- UNC - to assign CDSP functions and services, in accordance with the principles established by the Ofgem FGO review of Xoserve and implemented by Modification 0565A, to the Project Nexus text created by Modifications 0432, 0434 and 0440 (and other Nexus related modifications with a PNID). The affected Sections of the UNC are TPD Sections E, G, H and M. The changes to these Sections reflect the following:
  - o identical approach to preparation of pre-Nexus text.
  - o identify relevant direct and agency functions to be performed by the CDSP.
  - o replace references to 'the Transporter' with 'the CDSP' in respect of direct functions.
  - o remove discretions where not recognised by UK Link functionality.
  - o include new data flows between Transporter, CDSP and Users where required.
- Text also updated to include other changes to have effect from PNID.
- The Modification will delete all existing text and replace with new 'clean' Nexus and FGO compliant versions of TPD Sections E, G, H and M.
- DSC - to amend the Service Description Table accordingly and to reflect the final form of GT licence Standard Special Condition A15A Central Data Service Provider.

This Modification aligns the 0432, 0434 and 0440 services to the CDSP direct and agency service structure created by Modification 0565A. The actual services to be provided by Modifications 0432, 0434 and 0440 (and other Nexus related modifications with a PNID), are not amended in any way by this modification.

## 6 Impacts & Other Considerations

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

This modification has no impact on the SCR.

Neither would it have an impact on systems being implemented as part of Project Nexus.

### Consumer Impacts

No consumer impacts have been identified.

#### Consumer Impact Assessment

*(Workgroup assessment of proposer initial view or subsequent information)*

Criteria	Extent of Impact
Which Consumer groups are affected?	None identified.
What costs or benefits will pass through to them?	None anticipated.
When will these costs/benefits impact upon consumers?	Not applicable.
Are there any other Consumer Impacts?	None identified.

### Cross Code Impacts

Changes are required to the iGT UNC and it should be noted that iGT UNC Modification Proposal iGT086 - CDSP Changes is in progress under iGT UNC governance.

### EU Code Impacts

No EU Code impacts have been identified.

### Central Systems Impacts

There are no central systems impacts.

### Workgroup Impact Assessment

The Workgroup agrees the changes proposed in this modification identify appropriate measures to ensure the Xoserve Funding, Governance and Ownership (FGO) arrangements continue to be effective upon implementation of Project Nexus, by aligning the amended services to the CDSP direct and agency service structure.

### User Pays

#### User Pays *(Workgroup assessment of proposer initial view or subsequent information)*

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

## 7 Relevant Objectives

Impact of the modification on the Relevant Objectives:

Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	None
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	None
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	None
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

This modification can be expected to further relevant objective (f) *Promotion of efficiency in the implementation and administration of the Code* because it ensures that the new/amended services introduced as part of Project Nexus are defined within the appropriate UNC texts and related documents. This enables due governance and oversight to be effective, as intended by Modification 0565A.

## 8 Implementation

As self-governance procedures are proposed, implementation could be sixteen business days after a Modification Panel decision to implement, subject to no Appeal being raised. However, implementation of this modification is required on PNID, currently planned to be 01 June 2017.

## 9 Legal Text

Legal Text and Legal Text Commentary has been provided by National Grid Gas Distribution and is published alongside this report. The Workgroup has considered the Legal Text and is satisfied that it meets the intent of the Solution.

## 10 Recommendations

### Workgroup's Recommendation to Panel

The Workgroup asks Panel to agree that:

- This self-governance modification should proceed to consultation.