

UNC Modification	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; align-items: flex-start;"> <div style="margin-bottom: 5px;"><span style="border: 1px solid green; border-radius: 5px; padding: 2px 5px;">01</span> Modification</div> <div style="margin-bottom: 5px;"><span style="border: 1px solid blue; border-radius: 5px; padding: 2px 5px;">02</span> Workgroup Report</div> <div style="margin-bottom: 5px;"><span style="border: 1px solid purple; border-radius: 5px; padding: 2px 5px;">03</span> Draft Modification Report</div> <div style="margin-bottom: 5px;"><span style="border: 1px solid orange; border-radius: 5px; padding: 2px 5px;">04</span> Final Modification Report</div> </div>
<p>This modification identifies measures necessary to ensure the FGO arrangements implemented under Modification 0565/A/B 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 Proposer recommends that this modification should be:</p> <ul style="list-style-type: none"> <li>• subject to self-governance; and</li> <li>• assessed by a Workgroup.</li> </ul> <p>This modification will be presented by the Proposer to the Panel on 15 December 2016.</p> <p>The Panel will consider the Proposer’s recommendation and determine the appropriate route.</p>
	<p>Medium Impact: Large and Small Transporters, Shipper Users and Transporter Agency.</p>

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<b>Timetable</b>		Transporter: <b>National Grid Gas Distribution Limited</b>
<b>The Proposer recommends the following timetable:</b>		Systems Provider: <b>Xoserve</b>
Initial consideration by Workgroup	06 January 2017	 <a href="mailto:commercial.enquiries@xoserve.com">commercial.enquiries@xoserve.com</a>
Workgroup Report presented to Panel	16 February 2017	
Draft Modification Report issued for consultation	16 February 2017	
Consultation Close-out for representations	09 March 2016	
Final Modification Report available for Panel	13 March 2017	
Modification Panel recommendation/decision	16 March 2017	

# 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 0565/A/B '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 0565/A/B.

# 2 Governance

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

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

## Requested Next Steps

This modification should:

- be subject to self-governance;
- be assessed by a Workgroup.

The measures identified within this modification proposal are not extensive or complex. However, Workgroup assessment is necessary to ensure all commercial impacts of Project Nexus implementation on the proposed FGO arrangements are understood and complete.

### 3 Why Change?

It had originally been anticipated that Modification 0565/A/B 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 0565/A/B 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).

At the time of writing, Modifications 0565/A/B are still within the governance process, however it is anticipated that one of the variants will be approved for implementation as described. The changes described in this proposal are agnostic to the differences between those variants; hence it should proceed without further reference to them.

### 4 Code Specific Matters

#### Reference Documents

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

#### 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 0565/A/B, 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 0565/A/B. 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.

### Cross Code Impacts

It is likely that changes to the iGT Network Code may be necessary. It will be noted that iGT UNC Modification Proposal iGT086 - CDSP Changes, raised by Brookfield Utilities UK, 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.

User Pays	
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.
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.	Not applicable
Proposed charge(s) for application of User Pays charges to Shippers.	Not applicable
Proposed charge for inclusion in the Agency Charging Statement (ACS) – to be completed upon receipt of a cost estimate from Xoserve.	Not applicable

## 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 the original FGO Modification 0565/A/B.

## 8 Implementation

Implementation of this modification is required on PNID, planned to be 01 June 2017. The Panel is asked to note that it is impractical to identify two alternate dates as required by the Modification Rules because of this external dependency.

## 9 Legal Text

### Text Commentary

To follow

### Text

To follow

## 10 Recommendations

### Proposer's Recommendation to Panel

Panel is asked to:

- Agree that self-governance procedures should apply; and to
- Refer this proposal to a Workgroup for assessment.