

Joint Office Enquiries@gasgovernance.co.uk

19 November 2018

Dear Joint Office,

Re: UNC Modification Proposal 0673 – Amendment of UNC and DSC arrangements to enable Xoserve to bid for and provide CSS Services

Thank you for the opportunity to provide representation on the above noted Modification Proposal. Please find below Northern Gas Network's (NGN) comments in respect of this Modification.

NGN offers Qualified Support of this Modification Proposal.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We believe that it is difficult to determine which Relevant Objective is most furthered by this modification as none fully benefit from the solution the modification is proposing. While we do not believe that Relevant Objective f) Promotion of efficiency in the implementation and administration of the Code is the ideal objective against which this modification should be placed, we are aware that it is the most suitable when compared to the other objectives

Reasons for support/opposition:

We offer qualified support for this modification as we acknowledge that there is a necessity for the Central Data Services Provider (CDSP) to create a new service line which will limit the funding, liability and revenue arrangements for the Central Switching Service (CSS) activities strictly to Shippers. However, we do not believe the assurance provided within the modification regarding proper segregation of CSS bid and Data Services Contract (DSC) activities sufficiently addresses the potential risk to the core services provided by the DSC.

Implementation:

What lead-time do you wish to see prior to implementation and why?

We agree that this modification could be implemented as soon as Authority approval is received.

Impact and costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

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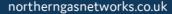
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We note that confirmation of UK Link as the delivery vehicle for CSS services has yet to be added to the central systems impacts section of the modification. There could be negative UK Link system impacts and related financial liabilities incurred by Uniform Network Code (UNC) parties should the CDSP fail to deliver core UNC services.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes, we agree that the legal text provided would deliver the solution set out in the modification.

Are there any errors or omissions in the Modification Report?

As stated in the impact and costs section, confirmation of UK Link as the delivery vehicle for CSS services has yet to be added to the central systems impacts section of the modification.

Any additional analysis or comments?

As the CSS will use UK Link as its delivery mechanism, this creates a potential for conflict of interest between the core service and the CSS activities, including an impact on bandwidth. Should the CSS bid be successful there is a further risk on both senior level focus and general resource being distracted by the demands of the implementation and ongoing service, with UK Link being used for both Gas and Electricity under the CSS activity.

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,

By email

Shanna Key Industry Codes Officer

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