

Joint Office

[Enquiries@gasgovernance.co.uk](mailto:Enquiries@gasgovernance.co.uk)

6 September 2018

Dear Joint Office,

**Re: UNC Modification Proposal 0666: Establishment of a CSS Bid Group for CDSP central switching system bid activities**

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**

**Reasons for Support/Opposition:**

NGN is in agreement that using the UK Link systems to undertake additional non-UNC activities may be the most cost effective way to support the Ofgem Switching Programme, and is therefore in principle in support of Xoserve considering this as part of their future development landscape. We agree that these activities are relevant to shippers and suppliers and therefore the funding and control of this specific activity should be appropriately targeted. This proposal aims to achieve this targeting, but does not consider some of the wider implications that may come about as the programme develops.

The current DSC arrangements operate the contract level arrangements, including any liabilities Xoserve may incur, at an all parties level. This is appropriate as all parties have an element of control through the DSC Contract Committee. Carving out activities to exclude a constituency from the control and funding should also include appropriate measures to limit any consequential liabilities or impacts on the excluded parties and we do not believe that this modification has addressed this issue.

**Relevant Objectives:**

Facilitating the broadest range of parties to participate in the CSS procurement exercise will further relevant objective d)

**Implementation:**

We note the urgent status of this to facilitate the development of the bid within the timescales set out by the switching programme and are supportive of the timescales set out in the modification.

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**Impact and costs:**

NGN do not anticipate any direct impacts or costs from this modifications. We are keen to receive assurance that Xoserve have suitable arrangements in place to ring-fence these activities in a manner that will not cause management distraction from core activities and ensure delivery of business as usual to a satisfactory level with no additional risk on DSC parties.

**Legal Text:**

NGN are satisfied with the text, however we believe this should have also included specific arrangements to limit impacts on excluded parties.

**Errors or Omissions in the Modification Report:**

As noted, we believe that consideration of consequential impacts on excluded parties is not included in this proposal. We understand that should the bid be successful further modifications will be required. We would like to see risk mitigation to excluded parties for liabilities and assurance on delivery of core activities considered as part of any subsequent proposals

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]

Joanna Ferguson  
Regulation & Industry Codes Manager

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