













UNC Modification	At what stage is this document in the process?
<h1>UNC 0666 (Urgent):</h1> <h2>Establishment of a CSS Bid Group for CDSP central switching system bid activities</h2>	<div>01 Modification</div> <div>02 Workgroup Report</div> <div>03 Draft Modification Report</div> <div>04 Final Modification Report</div>
<p>Purpose of Modification:</p> <p>This Modification is to create a specific group under the Data Services Contract (DSC), (that is not a Network Code Sub-committee) to enable the CDSP to discuss bid activities with Shipper Users as funders of the bid exercise.</p>	
	<p>The Proposer recommends that this Modification should be:</p> <ul style="list-style-type: none"> treated as urgent and should proceed as such under a timetable agreed with the Authority
	<p>High Impact: None</p>
	<p>Medium Impact: Shipper Users and CDSP</p>
	<p>Low Impact: None</p>

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Timetable		 0121 288 2107
The Proposer recommends the following timetable:		Proposer: Steve Mulinganie Gazprom
Panel Recommendation on Urgency	16 August 2018	 enquiries@gasgovernance.co.uk
Ofgem Decision on Urgency	21 August 2018	 steve.mulinganie@gazprom-energy.com
Workgroup meeting 1	28 August 2018	 0845 230 0011
Consultation commences	30 August 2018	Transporter: Cadent
Consultation Close-out for representations	06 September 2018	 Chris.Warner@cadentgas.com
Final Modification Report available for Panel	07 September 2018	 01926 653541
Modification Panel recommendation	10 September 2018	Systems Provider: Xoserve
Ofgem decision	13 September 2018	 UKLink@xoserve.com

1 Summary

What

The Data Communications Company is tendering for a range of central switching system services. The Central Data Services Provider (CDSP) has agreed with its customers under the Data Services Contract (DSC) to bid for some of the central switching system services. The Shipper Users under the DSC are funding the costs of the CDSP bid.

Any bids will be submitted in the name of Xoserve Ltd. This Modification is being raised to create arrangements under the DSC and as such the Modification refers to the CDSP (not Xoserve). In the DSC Terms and Conditions definitions, CDSP is Xoserve Ltd. As it is the DSC that is being amended the correct reference in the Modification is to the CDSP and not Xoserve.

To enable the CDSP to participate in the Data Communications Company central switching service tender activity, the CDSP needs to be able to discuss bid matters, which may include commercially sensitive/confidential information, directly with Shippers Users only, as the funding party of the CDSP bid.

The Transitional Arrangements Document and some of the CDSP Service Documents need to be amended to create a CSS Bid Group comprising CDSP and Shipper User representatives only. The CSS Bid Group is to be created so it is not a Network Code Sub-committee and thus not subject to UNCC oversight. These are not changes than can be progressed under the DSC change procedures.

A mechanism needs to be created in the UNC to enable a group to be constituted. A new DSC Service Line is needed to enable bid costs to be allocated 100% to Shipper Users.

Why

The existing DSC Committees are Network Code Sub-committees and these do not have any mechanisms to discuss commercially confidential discussions with a sub-set of industry participants, in this case Shipper Users who are funding the CSS bid.

How

The requirements can be met by amending the Transitional Arrangements Document and CDSP Service Documents: CDSP Service Description (and Service Description Table) and Budget and Charging Methodology.

The CSS Bid Group can be created under the Transitional Arrangements Document, with CDSP Service Documents being amended to create CSS bid services as 100% funded by Shipper Users.

The arrangements created by this Modification are transitional and will fall away on notification from the Data Communications Company that the CDSP's bid has or has not been successful. In the event that the CDSP is successful wider changes under the GT Licence, UNC and DSC will be required, these will be the subject of a separate Modification.

2 Governance

Justification for Urgency

The closing date for bid submission to the Data Communications Company is 26th September 2018. The CDSP needs a mechanism to be in place under the DSC to consult with the bid funders (Shipper Users (as DSC parties)) prior to the submission of the bid. Following bid submission, the CDSP will need to engage with the bid funders on an ongoing basis as the bid process proceeds. This new group is required to enable the CDSP to discuss commercially sensitive aspects of the bid activity with those funding the bid.

Requested Next Steps

This modification should:

- be treated as urgent and should proceed as such under a timetable agreed with the Authority

DSC customers have been engaged on the requirements for the new group and are supportive of it. Shippers Users have agreed to fund 100% of the bid costs. The timescale provided allows for a workgroup meeting, with an Ofgem decision in time for the first meeting of the CSS Bid Group prior to bid submission.

3 Why Change?

The existing DSC Committees are Network Code Sub-committees. As such the UNCC has oversight of their proceedings. This oversight means that these committees do not provide an environment where the CDSP can discuss commercially sensitive matters with Shipper Users, who are funding the bid activity.

A new group is required that can provide for confidential discussions with a sub-set of DSC customers i.e. Shipper Users.

It is not feasible for the CDSP to constitute a group outside of the DSC. Shipper Users are already signatories to the DSC so the optimal route is to amend the UNC (of which the DSC is a part) to create the new group.

The new group will be established so as to not be a UNC Sub-committee, and therefore not subject to UNC Sub-committee rules / processes. The CDSP will chair and provide secretariat support. In the event that notes of meetings are taken these will not be published in the public domain.

4 Code Specific Matters

Reference Documents

The proposer welcomes Ofgem's comments with regard to addressing governance constraints that might make it difficult for Xoserve to bid.

<https://www.ofgem.gov.uk/publications-and-updates/switching-programme-outline-business-case-and-blueprint-phase-decision>

Outline Business Case Page 13 para 1.20

"Consequently we have concluded that it is important that the procurement process should allow existing systems to be considered fairly alongside any new build options. We will work with DCC to ensure that the procurement process and the evaluation criteria do not unfairly benefit or penalise existing systems or discourage new entrants or existing providers from bidding. At the same time we will work with Xoserve to

ensure that any governance constraints that might make it difficult for it to bid for, or operate, the CSS are addressed effectively.”

Knowledge/Skills

None

5 Solution

In Transitional Arrangements Document, create a new group, the CSS Bid Group. Disapply certain sections of General Terms D by establishing the CSS Bid Group such that it is not a Network Code Sub-committee.

The function of the group is relating to the CDSP CSS bid activities, with the CSS Bid Group assisting the CDSP in the formulation of its bid.

The CSS Bid Group needs to be created such that the UNC Committee and DSC Committees have no power over it.

The CSS Bid Group is to comprise of CDSP and Shipper User representatives. Shipper User representatives must be Shipper User employees. All Shipper Users can nominate a representative to attend the CSS Bid Group. There will be no customer class as in the Contract and Change Management Committees. Shipper User representatives will need to enter into a confidentiality agreement with the CDSP.

The CDSP will chair and provide secretariat services for the CSS Bid Group. Meetings will be quorate where at least two CSS Bid Group representatives are present.

Most decisions should be made by consensus. However, if required any voting will be simple majority of those present at a meeting.

For the avoidance of doubt the CSS Bid Group cannot modify the DSC or change the services provided within it.

Amend the CDSP Service Description, table in section 3.2.3 to add Part J CSS Bid Services and new Service Area 23: CSS Bid Services.

Amend the Budget and Charging Methodology, table in section 3.1.1 to add Service Area 23 CSS Bid 100% funded by Shipper Users

Amend the Service Description Table (Direct Service Non-Code Service) to include a new Service Line for CSS Bid Services.

Establish these arrangements as transitional until the CDSP is notified by the Data Communications Company that the CDSP's bid has or has not been successful.

6 Impacts & Other Considerations

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

None

Consumer Impacts

None. This Modification does not amend any services that impact consumers. The Modification creates arrangements between the CDSP and Shipper Users only.

Cross Code Impacts

None. There is no equivalent Modification required to the IGTUNC as the IGTUNC points across to the arrangements in the UNC.

EU Code Impacts

None

Central Systems Impacts

None. This Modification seeks to create a new group for the limited purpose of the CDSP bidding for central switching system services. There are no impacts to central systems.

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.	Positive
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.	None
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

Demonstration of how the Relevant Objectives are furthered inserted here

This Modification to create a group under the DSC with whom the CDSP can proceed into the Data Communications Company bid activity would further Relevant Objective d) Securing Effective Competition (ii) between relevant suppliers. This Modification provide a route by which the CDSP can discuss commercially sensitive matters with bid funders and submit its bid for the central switching system services thus ensuring the Data Communications Company has the widest pool of potential service providers to select from.

8 Implementation

Implementation is required in accordance with the timetable above.

9 Legal Text

Text Commentary

See separate documents.

Text

Suggested Text has been published alongside this Modification.

10 Recommendations

Proposer's Recommendation to Panel

The Authority is asked to:

- Agree that this Modification should be treated as urgent and should proceed under a timetable approved by the Authority.