

| UNC Final Modification Report | | At what stage is this document in the process? |
|--|--|---|
| <h1>UNC 0613S:</h1> <h2>Revised UK Link Manual CDSP Data Services Document</h2> | | <div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 01 Modification </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 02 Workgroup Report </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 03 Draft Modification Report </div> <div style="border: 1px solid #ccc; padding: 5px; display: flex; align-items: center; gap: 10px;"> 04 Final Modification Report </div> </div> |
| <p>Purpose of Modification:</p> <p>This UNC Modification is necessary to create the UK Link Manual (a CDSP Service Document) as part of the Data Services Contract (DSC).</p> | | |
|  | Panel consideration is due on 21 September 2017 (<i>at short notice by prior agreement</i>) | |
|  | High Impact: None | |
|  | Medium Impact: None | |
|  | Low Impact: Central Data Service Provider, Transporters (including iGTs), Shippers. | |

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| Timeline | |  enquiries@gasgovernance.co.uk |
| Modification timetable: | |  0121 288 2107 |
| Initial consideration by Workgroup | 23 March 2017 | Proposer: Chris Warner |
| Workgroup Report presented to Panel | 17 August 2017 |  chris.warner@cadentgas.com |
| Draft Modification Report issued for consultation | 17 August 2017 |  07778 150668 |
| Consultation Close-out for representations | 08 September 2017 | Transporter: Cadent |
| Final Modification Report available for Panel | 11 September 2017 | Systems Provider: Xoserve |
| Modification Panel decision | 21 September 2017 (<i>short notice</i>) |  commercial.enquiries@xoserve.com |

1 Summary

What

Under UNC Modification 0565A Central Data Service Provider: General framework and obligations, UNC Transportation Principal Document (TPD) Section U was deleted; some rules were moved to General Terms, Section D and other rules were included in a revised UK Link Manual which now exists as a CDSP Service Document, being one of the component documents comprising the new Data Services Contract. During development of Modification 0565A there was insufficient time to develop a comprehensively revised UK Link Manual. Therefore the UK Link Manual Framework Document was developed in recognition that a revised UK Link Manual would be prepared in anticipation of Project Nexus implementation (01 June 2017). This Modification seeks to amend the DSC by creating a new and revised UK Link Manual document which will replace the existing manual.

Why

This Modification is proposed in order to create a new and revised UK Link Manual which is up to date and fully reflects the requirements of Project Nexus and the new role of Xoserve as the CDSP.

How

The DSC UK Link Manual has been developed based upon the Ofgem Funding Governance and Ownership (FGO) review of Xoserve and Modification 0565A principles. The majority of the changes are structural in nature; the detail of the existing UK Link Manual e.g. the file formats and hierarchy are not amended by this modification.

2 Governance

Justification for Self-Governance

The Modification Panel determined the modification is unlikely to have a material effect on UNC governance or modification procedures because it brings into effect an arrangement already established by UNC Modification 0565A. It creates the UK Link Manual under the DSC and as such is a non-material change to the services under the UNC.

Modification 0613S will therefore follow self-governance procedures.

Requested Next Steps

This modification should:

- be considered a non-material change and subject to self-governance;
- issued to consultation.

Workgroup participants agreed that this modification is sufficiently developed to be issued to consultation.

The Workgroup agreed with the Modification Panel's determination on Self-Governance as this modification is unlikely to have a material effect on UNC governance, competition or contractual arrangements because it brings into effect the arrangements already established by UNC Modification 0565A. It creates the UK Link Manual under the DSC and as such is a non-material change to the services under the UNC.

3 Why Change?

This Modification is proposed in order to create a new and revised UK Link Manual which is up to date and fully reflects the requirements of Project Nexus and the new role of Xoserve as the CDSP.

The UK Link Manual Framework Document, see paragraph 1.5.4 in the following link [http://www.gasgovernance.co.uk/UK Link Manual Framework Document.pdf](http://www.gasgovernance.co.uk/UK%20Link%20Manual%20Framework%20Document.pdf) explains that prior to the Project Nexus Implementation Date (01 June 2017), a revision of the UK Link Manual will be required in the context of the Nexus Modifications and it is intended that, as part of such revision, the different component parts of the UK Link Manual will be consolidated into a new and revised UK Link Manual.

This is a significant DSC change and while in principle, the DSC Change procedures could be followed, the UNC Modification procedures are being followed to ensure full transparency and visibility of the change. However, it's noted that there would be no material UNC impacts due to the implementation of this modification.

4 Code Specific Matters

Reference Documents

UNC General Terms GT Section D5

DSC Terms and Condition Clause 6

CDSP Service Document – UK Link Manual

New UK Link Manual Documents at: <https://www.gasgovernance.co.uk/0613/UKLinkMan>

Knowledge/Skills

No specific knowledge or skills are necessary.

5 Solution

Modification of the DSC is necessary to replace the current UK Link Manual with a new and revised UK Link Manual document.

6 Impacts & Other Considerations

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

Neither the SCR nor any significant industry change project is impacted.

Consumer Impacts

No consumer impacts are identified. The UK Link Manual is solely concerned with systems and process interactions between UNC parties.

| Consumer Impact Assessment | |
|---|--|
| Criteria | Extent of Impact |
| Which Consumer groups are affected? | No consumer would be impacted should this modification be implemented. |
| What costs or benefits will pass through to them? | Not applicable. |
| When will these costs/benefits impact upon consumers? | Not applicable |
| Are there any other Consumer Impacts? | None identified. |

Cross Code Impacts

No cross-code impacts have been identified. No direct impacts were identified through the DSC Change Management process.

EU Code Impacts

No EU Code impacts identified.

Central Systems Impacts

No central systems impacts have been identified as the UK Link Manual documents existing processes established by Project Nexus.

Workgroup Impact Assessment

The Workgroup notes that the new UK Link Manual proposed by this modification would satisfy the requirements to establish a new UK Link Manual under the DSC arrangements established by Modification 0565A.

It should be noted that the Workgroup has assessed the documents which directly impact the UNC and/or DSC terms and conditions and that the DSC Change Procedures were used to review documents that were systems related. The DSC Change Management Committee supports the implementation of the systems related documents it was requested to consider during the assessment of this modification.

UK Link Manual and its associated, documents and legal text are published alongside this Workgroup Report and a summary table is provided below to provide guidance.

UK Link Manual - Table of legally binding provisions

In labelling some of the Component Documents as binding (and others as not) the aim is to give much greater clarity to the rule in GT D5.2.3, which states that it is an obligation to comply with those provisions in the UKLM which are 'expressly identified in the UK Link Manual' as binding. The wording at GT D5.2.3 was moved from UNC TPD Section U (it dates back to 1996), and the intention in the new UKLM is not to make parts of the UKLM binding where this has not previously been the case. It should also be noted that GT D5.2.3 contains the acknowledgement that where any provision of the UKLM is not followed (whether or not a binding provision) that it may impact on the ability of a UK Link User to make UK Link Communications.

Separately, it should be noted the DSC creates bilateral contractual relations between the CDSP and Customers only, and the intention is not to create relations between individual Customers. Accordingly, the DSC does not concern issues connected with any potential consequences of one individual Customer's non-compliance with the DSC (including the UKLM) on another individual Customer.

The Workgroup were content to recommend that the new UK Link Manual was not a material change to UNC and that this modification and the documents which make up the UK Link Manual should be issued to consultation.

Rough Order of Magnitude (ROM) Assessment

A Cost estimate is not required from the CDSP. This modification creates a new and revised UK Link Manual which is up to date and fully reflects the requirements of Project Nexus and the new role of Xoserve as the CDSP. The administration costs of undertaking this exercise will have already been accounted for under Project Nexus and Modification 0565A.

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 seeks to ensure that the terms identified within Section 1.5.4 of the CDSP Service Document, being the 'transitional' UK Link Manual Framework Document can be met. In addition, this Modification provides that an 'enduring' UK-Link Manual can be implemented thereby removing the transitional document. In both of the above cases, this clarification facilitates GT Licence relevant objective f) 'Promotion of efficiency in the implementation and administration of the Code'.

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.

9 Legal Text

Text Commentary

Legal Text Commentary specific to the UNC Legal Text has been provided by Cadent and is published at the link below.

Text

Specific UNC Legal Text has been provided by Cadent and is published at the link below. No additional comments were provided by the Workgroup.

TRANSPORTATION PRINCIPAL DOCUMENT

GENERAL TERMS – SECTION D – CDSP AND UK LINK

DATA SERVICES CONTRACT

CDSP SERVICE DOCUMENT – UK LINK MANUAL

Delete all the text in the UK Link Manual (comprising both the UK Link Manual Framework Document and the Annex – UK Link Terms and Conditions) and replace with the document(s) published at:

<https://www.gasgovernance.co.uk/0613/UKLinkMan> and shown in Appendix 1 below.

10 Consultation

Panel invited representations from interested parties on 17 August 2017. The summaries in the following table are provided for reference on a reasonable endeavours basis only. We recommend that all representations are read in full when considering this Report. Representations are published alongside this Final Modification Report.

Implementation was unanimously supported in the 9 representations received.

Representations were received from the following parties:

| Organisation | Response | Relevant Objectives | Key Points |
|--------------|----------|---------------------|---|
| Cadent | Support | f) - Positive | <ul style="list-style-type: none">• The modification seeks to ensure that the terms identified within Section 1.5.4 of the CDSP Service Document, being the 'transitional' UK Link Manual Framework Document can be met. In addition, this modification provides that an 'enduring' UK-Link Manual can be implemented.• Agrees that the modification meets the self-governance criteria.• Satisfied that the legal drafting and supporting text commentary meets the requirements and intent of the modification. |
| Centrica | Support | f) - Positive | <ul style="list-style-type: none">• Recognises that the UK Link Manual requires a full update on the grounds that changes driven by the new Funding, Governance and Ownership (FGO) |

| | | | |
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| | | | <p>arrangements, means the UNC document needs to reflect it now has a Data Service Contract (DSC) document or a contract between the CDSP and UK Link Users.</p> <ul style="list-style-type: none"> • Following an extensive review, Centrica are content the UK Link system arrangements aligns with the IS schedule documents and the new framework document aligns with the FGO framework documents and as a consequence better reflects the current arrangements and improves the administration of the Code. • Believes that as this change maintains existing arrangements, rather than creating new arrangements that self-governance arrangements are appropriate. |
| E.ON | Support | f) - Positive | <ul style="list-style-type: none"> • The modification is necessary to update the documentation to reflect the changes introduced by Project Nexus. • Supports self-governance for the modification and would like to see implementation as soon as possible. |
| ESP | Support | f) - Positive | <ul style="list-style-type: none"> • This modification replaces an older version of the UK Link Manual in order to accommodate the changes brought about since the FGO changes and Project Nexus implementation. • It will more accurately reflect present arrangements and therefore improves Code administration activities. • Agrees that this modification is suitable for self-governance as it clarifies existing arrangements under a renewed UK Link Manual and proposes nothing that is not implemented already. |
| Northern Gas Networks | Support | f) - Positive | <ul style="list-style-type: none"> • The modification will ensure that the UK Link Manual reflects the Project Nexus and FGO changes. • Supports self-governance for the modification and associated implementation timescales. • Believes that the costs associated to this update should have been included under Project Nexus and Modification 0565A (FGO) provisions, and that there should be no cross-code impacts. |
| Npower | Support | f) - Positive | <ul style="list-style-type: none"> • Observes that following Project Nexus implementation, and the introduction of the FGO arrangements, the UK Link Manual required updating to remain fit for purpose and reflect the relevant industry changes. • Believes the UK Link Manual and associated documentation has gone through a comprehensive and consultative update through the Modification 0613S |

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| | | | process, and as such, the changes reflect and are linked to the new industry arrangements correctly. |
| Scotia Gas Networks | Support | f) - Positive | <ul style="list-style-type: none"> • Supports the modification as it creates a revised UK Link Manual that adequately reflects recent significant industry change, such as Project Nexus implementation and Xoserve's Funding Governance and Ownership review. • Agrees that this modification is suitable for self-governance. |
| SSE | Support | f) - Positive | <ul style="list-style-type: none"> • The modification is necessary in order to create a new and revised UK Link Manual which is up to date and fully reflects the requirements of Project Nexus and the new role of Xoserve as the CDSP. The DSC needs to be amended in order to create this new and revised document which will replace the existing manual. • Agrees that the modification meets the self-governance criteria. |
| Wales & West Utilities | Support | f) - Positive | <ul style="list-style-type: none"> • The modification creates a new UK Link Manual that reflects the changes resulting from the implementation of Xoserve Funding Governance and Operation changes and Project Nexus implementation. • Agrees that this modification is suitable for self-governance as the new manual reflects changes introduced by other modifications and therefore this modification in itself will not have a material impact on any of the relevant criteria. |

Please note that late submitted representations will not be included or referred to in this Final Modification Report. However, all representations received in response to this consultation (including late submissions) are published in full alongside this Report, and will be taken into account when the UNC Modification Panel makes its assessment and recommendation.

11 Panel Discussions

12 Recommendations

Panel Determination

Members agreed that Modification 0613S [should / should not] be implemented.

13 Appendix

Appendix 1 – Hierarchy Diagram

The following is a hierarchy diagram which shows the relationship between the framework documents:

