

The Common Systems Agreement - Business Rules

Parties to the Agreement

GT Licence holders/Network Operators ie 8 DN's and NTS

Purpose of CSA

A collective agreement to provide Common System Arrangements (systems and processes), as identified in the Statement of Common Systems, for the administration of the Uniform Network Code, in accordance with Standard Special Condition A14 of the GT licence.

Content of CSA

1. *Statement of Common Systems*

To define a 'Statement of Common Systems' to deliver the processes required for the effective administration of the Uniform Network Code, as described in Schedule 1 to this Agreement and which will be provided via the common system provider, and delivered to the Authority, from time to time, as required by Standard Special Condition A14.

2. *Governance Group*

Each party will provide a representative to form the Common Systems Agreement Group (CSAG). The Group will meet periodically or as required, but at a minimum of 6 monthly intervals, to operate and manage the Common Systems Agreement. The Group may invite others to participate in the meeting in an advisory capacity.

2. *System Cost Recovery*

To agree and set out the basis and principles by which the common system provider may be duly instructed to recover its costs for the provision and maintenance, and development of the common systems, from each GT licence holder and in particular between DN's and NTS (as set out in Schedule 2 to this Agreement).

3. *Prioritisation of system changes*

To agree and set out the basis and principles for instructing the common system provider to proceed with system changes, recognising that the overriding priority is to meet UNC and GT Licence requirements.

4. *Appointment of Network Operator Representative*

The parties will agree the appointment of a specific Network Operator Representatives (NOR), to be responsible for instructing the common services provider in relation to systems provision, change, prioritisation and cost recovery, in accordance with Schedule 2 to this Agreement, namely:

- The Joint Office, will be deemed to be the appointed NOR in relation to UNC changes, reporting back to the CSAG from time to time, and
- An employee of a GT Licence holder, appointed by members of the CSAG, in relation to all other changes including the long term plan for system investment.

5. *Long Term Plan for system investment*

The parties will agree the long term plan for system investment presented by the common agency provider from time to time, and to review and agree any subsequent amendments presented by the service provider in excess of [£x].

6. *Disputes*

Where the members of the CSAG are unable to reach agreement on a specific system proposal relating to the provision of Common Systems, they will firstly use reasonable endeavours to resolve the matter between themselves. Failing this, the dispute will be referred to nominated Directors of the members of CSAG to resolve. Should there be any matter, which they are unable to agree upon, it will be referred to the Authority for guidance.

Schedule 1 – Statement of Common Systems

This Statement describes the purpose of the common systems that will be used by all GT Licence holders to effectively administer the terms of the Uniform Network Code, and be provided by the common agency service provider.

Transportation & Non Transportation Billing

In-accordance with relevant transportation pricing statements, the provision of systems to calculate transportation charges arising from Metered and Annual Quantities, by Supply Point, by Shipper, by Network and the provision of such charges on Transportation Invoices in accordance with Uniform Network Code obligations. Further, the provision of systems to calculate charges not arising from Transportation Quantities, including, but not limited to, compensation for failure to supply gas, must reads and firm / interruptible allowance etc.

Energy balancing & Settlement

The provision of systems to support the before the day and on the day physical balance of the Network and the resulting after the day commercial balancing and delivery of Energy balancing neutrality invoicing and cash collection.

Capacity

The provision of systems to support the sale and management of system capacity for the Entry, Exit and LDZ, capacity regimes.

Transportation volumes, Annual quantities and Demand estimation

The calculation and recording of transportation volumes arising from the provision of Metered and Annual Quantities and the calculation of Supply Point Transportation energy. To derive (Supply point) estimate gas year quantities and profile seasonal normal demand in accordance with Uniform Network code provisions.

Supply Point Administration

The provision of systems to support efficient and effective supply competition in-accordance with the rules set out in the Uniform Network Code and Gas Transporter Licence conditions; including but not limited to, the receipt and provision of data to facilitate Supply Point transfer.

Site Address and Meter Point data register

The receipt, recording and maintenance of details of each location at which a supply of gas is provided, for the purpose of providing a single national database of all Supply Points connected directly or indirectly (through a local distribution zone) to the National Transmission system. To include, but not limited to, the recording of Meter Point Reference Numbers, premise address and associated standing Meter Point data.

Informational and Query services

Provision of systems to provide access for relevant parties to the national site address register and Meter Point data for the purpose of enabling verification and challenge of data. Further the provision of Registered User and Consumer enquiry services for the purpose of facilitating supply competition.

Secure Information Network

Provision of a secure communications network, to facilitate the exchange of data between relevant parties.

Schedule 2 – System Cost Apportionment

The basis for apportioning system costs between DNs and NTS will be largely fixed for each Price Control Review period, and the CSAG will review and agree the percentages on a timely basis, as appropriate. The percentage apportionments will be derived on an activity based methodology and apportioned by the common service provider on a transparent basis in accordance with the methodology described in the Agency Services Agreement.

Common Systems	% Cost borne by DNs	% Cost borne by NTS
Transportation & Non Transportation Billing, Transportation Volumes, Annual Quantities & Demand Estimation, Supply Point Administration, Site Address & Meter point data register, Information & Query services, Secure Information Network	TBC	TBC
Energy Balancing & Settlement	TBC	TBC
Capacity	TBC	TBC

Other System Changes	Party to bear costs
Changes requested by individual DN	Individual DN bears 100% costs unless it is agreed the benefit is for all DNs and/or all DNs and NTS. Then apportion as above
Changes requested by NTS	Borne by NTS unless it is agreed the benefit is for DNs and NTS. Then apportion as above
Class 3 Shipper change requests	Shipper pays – as now
Speculative change requests from GTs	Costs incurred apportioned based on common systems as above
Major system replacement	To be part of the long term systems plan and apportioned as per the Common Systems shown above