

Rupika Madhura, Head of Gas Distribution Policy Ofgem

Rupika.madhura@ofgem.gov.uk.

26th May 2016

E.ON's response to the Ofgem informal consultation on proposed modification to Standard Special Condition (SSC) A15 (Agency) of the Gas Transporters (GT) licence and proposed new SSC A15A (Central Data Service Provider).

Thank you for the opportunity to provide comments on the informal consultation on the changes to SSC A15A.

We have some initial comments in respect of drafting inconsistencies that we wish to draw to your attention as well as some observations on the consequential changes to the wider licence conditions.

Part A

6(a) The Introduction on page 5 establishes the defined term of "Provider" for the Central Data Services Provider. However, in clause 6 (a) the term "Agent" is used to describe the party with whom we must contract, should "Agent" be Provider

6(c) iii The requirement is to enter into an agreement with the CDSP – should this be the Provider, and to keep the CDSP services agreement under review – however in 6(a), the contract is referred to as the Data Services Contract or DSC, should this be the CDSP Services Agreement?

Part B

7(c) (i) & (ii) Should CDSP be the Provider? The same when referencing the CDSP annual budget – should this be the Provider's annual budget? 8 (c) refers to this as the Provider's annual budget.

8. CDSP services agreement or DSC Data Services Contract as per question in 6 (c) iii?

Part C

9. Should the reference to 6 (b) actually be 6 (d)



12(b) The CDSP annual budget should this be the Provider's annual budget?

Annex 2 considerations:

5. As the proposed amendment to the licence will result in Condition 15 ceasing to apply, is there any impact on any non-UNC activities the GT needs it's "Agent" to deliver.

6(d) How does Ofgem consider the drafting envisage a budget the industry considers unduly excessive, as the wording suggests that we can only appeal if we think the Provider cannot fulfil its obligations?

What controls exist to ensure that the budget is appropriate as there doesn't seem to be the checks and balances for example that exist within the BSC where the Board and the Panel have to move together to agree the strategy and the budget that supports it.

7. This sets out the not for profit approach... it states that the Provider can only undertake CDSP services on a not for profit basis unless the Authority consents otherwise. It requires they can only distribute profits earned before April 2017. However, I'm not clear what happens to profits of the non- CDSP services (current and future bilateral arrangements). Equally it's not clear how the CDSP users are protected from any risks that these bilateral services might expose the CDSP Users to and how those risks might be mitigated, because while Ofgem have to give written permission for any non CDSP activity any liabilities that might come from this work have to be ring fenced from CDSP Users.

In the FGO workgroups, Gas Transporters have been clear that they still see a role for the Transporter to use Xoserve as their Agent, but the drafting would appear to redefine the Agent the Provider.

Annex 3 Other consequential licence changes

Condition A12 – We support the inclusion of changes to A12 to include the Joint Office arrangements within the scope of the CDSP services, as we consider it beneficial for all UNC parties to be more involved in the provision of the Joint Office arrangements, which will help ensure efficient delivery of the code administration. It may also be beneficial to consider bringing the provision of legal text for the code within these arrangements too.

Condition A14 - I can't find reference to an AS agreement in A15A,

