

Rupika Madhura
Head of Gas Distribution Policy
OFGEM
9 Millbank
London
SW1P 3GE

26 May 2016

Dear Rupika,

Consultation on Proposed Standard Special Condition (SSC) A15 (Agency of the Gas Transporters) and Proposed New SSC A15A (Central Data Services Provider)

Thank you for the opportunity to respond to this consultation. We have reviewed the proposed licence drafting and have the following comments:

- We agree that parties should have the ability to appeal Xoserve's budget to the Authority as set out in proposed SSC A15A 5(d). We think that in addition to the Authority determining a revised budget itself, the licence drafting should be revised to allow the Authority the option to "send back" the budget to be revised within the governance of the prospective Data Services Contract (DSC). We believe this option may prove useful where costs in dispute relate to commercial and system specifications that can be more readily revised by the relevant contractual entity.
- We note that the CMA is expected to make recommendation for the licensing of code administrators, which may be introduced via the Better Markets Bill or subsequently. The legislation would be likely to require transitional or consequential provisions in respect of these licence conditions. We would encourage Ofgem to consider any potential interactions between the obligations on funding and control of Xoserve in proposed new SSC A15A and any licence obligations that may be placed directly on Xoserve in future.

If you have any questions about this response please do not hesitate to contact me.

Yours sincerely,



Rupert Steele
Director of Regulation