







Final Modification Report	At what stage is this document in the process?
<h2>iGT086:</h2> <h3>Central Data Service Provider - Implementing iGT UNC changes to support FGO</h3>	<div style="display: flex; flex-direction: column; gap: 5px;"> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;">01 Modification</div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;">02 Workgroup Report</div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px;">03 Draft Modification Report</div> <div style="border: 1px solid #ccc; padding: 2px; display: flex; align-items: center; gap: 5px; background-color: #f4a460;">04 Final Modification Report</div> </div>
<p>Purpose of Modification: A modification to align the iGT UNC with the outputs of the Funding Governance and Ownership review of Xoserve.</p>	
	<p>Panel considered this Modification on 10 May 2017 The Panel recommends implementation</p>
	<p>High Impact: None</p>
	<p>Medium Impact: None</p>
	<p>Low Impact: Pipeline Operators and Users</p>

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 **Any questions?**

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Timeline

Modification timetable:

Initial consideration by Workgroup	02 August 2016
Amended Modification considered by Workgroup	07 March 2017
Workgroup Report Concluded	04 April 2017
Workgroup Report presented to Panel	12 April 2017
Draft Modification Report issued for consultation	12 April 2017
Consultation Close-out for representations	03 May 2017
Variation Request presented to Panel	N/A
Final Modification Report available for Panel	04 May 2017
Modification Panel decision	10 May 2017

1 Summary

What

The IGT UNC requires amending to reflect the new role that Xoserve as the CDSP will undertake following the implementation of project NEXUS and to dovetail with the FGO arrangements being implemented under UNC0565 and UNC0604S. The impacted parts of the IGT UNC are CI, CII CV, E, I, K and N.

Why

The Funding, Governance and Ownership (“FGO”) Programme was established in May 2014 to define and deliver a blueprint for the future funding and governance of the Central Data Service Provider (“CDSP”) and Central Data Services (“CDS”), in line with Ofgem’s FGO Review conclusions in October 2013. The implementation of these conclusions will require amendment to relevant regulatory and iGT UNC arrangements and the development of a fully cooperative model for the CDSP, which retains the integrated CDS systems and services that Xoserve will deliver under Project NEXUS.

How

As FGO arrangements will apply to IGTs at project NEXUS go live, the changes to support FGO arrangements have been based on a ‘shadow’ IGT UNC which uses IGT039 as its base along with all other modifications that have been approved for implementation at NEXUS go live. The UNC drafting under UNC0604s will be used for the basis of the review, ensuring that CDSP services are reflected in the same way in the IGT UNC and any relevant ancillary documents in line with the UNC where applicable. The Data Services Contract that underpins FGO arrangements has been developed under both UNC0565 and UNC0604 and is not therefore within the scope of this modification.

2 Governance

Justification for Urgency, Self-Governance or Fast Track Self-Governance

IGT039 introduces agency arrangements whereby Xoserve will include IGT data in the central gas systems. FGO arrangements do not change the requirement for this, but amends the responsibility for the delivery of such services in line with FGO arrangements developed under UNC0565 and UNC0604. As such, this modification is reflecting already agreed industry arrangements (as is mandated on IGTs under the UNC) and IGT086 is therefore not expected to have a material impact on IGT UNC parties. On this basis the Proposer recommends that the modification should be progressed under Self-Governance procedures. This recommendation is in line with the procedure adopted for the equivalent modification UNC604S

Requested Next Steps

This modification should:

- be subject to self-governance
- be assessed by a Workgroup
- proceed to Consultation

Workgroup view

Update from workgroup held in March 2017

The Workgroup's view on this Modification was that this should proceed as a Self-Governance Modification in line with the UNC's approach.

Update from workgroup held in April 2017

No change in view from the Workgroup since the March 2017 meeting.

3 Why Change?

Modification of the iGT UNC is required to identify the requirement for the CDSP and CDSP services within the iGT UNC and to make corresponding changes in relevant obligations to reflect this. Should no changes be made, at NEXUS Go Live the IGT UNC will not reflect the new FGO contractual arrangements which IGTs are required to include in the UNC as per UNC0440.

4 Code Specific Matters

Technical Skillsets

An understanding of IGT039 along with UNC0565 and UNC0604 would be beneficial in understanding this modification and the drafting approach therein.

Reference Documents

[UNC0565 \(for the background to FGO\)](#)

[UNC0604s \(to understand how FGO impacts NEXUS services\).](#)

[IGT039 \(to understand the drafting approach for the IGT UNC at NEXUS Go Live\).](#)

5 Solution

The 'shadow' IGT UNC as has been prepared for implementation on the Project Nexus Implementation date will need to be reviewed using the following approach:

- Where 'Pipeline Operator' is referenced in a section where Xoserve perform an activity under IGT039, review the corresponding section in the UNC to determine whether the reference to 'Pipeline Operator' is to be amended to 'CDSP'.
- Where IGT039 points to the UNC, review any references both in the IGT UNC and UNC that refer to Transporter/Pipeline Operator to determine if these references remain correct.
- Review and update Section N (Agency Services) as introduced by IGT039 against the UNC equivalent section to determine whether any changes are required.
- Update any drafting inconsistencies identified within the areas impacted by NEXUS and FGO.

The review of required changes will also extend to the Ancillary Document entitled "Pipeline Operator Standards of Service Query Management"

6 Impacts & Other Considerations

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

This modification does not impact any SCRs and has been raised to implement a major Ofgem initiative 'FGO'.

Workgroup Impact Assessment

Update from workgroup held in March 2017

The workgroup agreed that this Modification will not impact any SCRs. The Workgroups assessment of this Modification is that there will be no system changes. This Modification aligns iGT UNC code to the arrangements already agreed in the UNC & DSC in line with the changes in the governance arrangements as directed by the Authority.

Update from workgroup held in April 2017

No change in view from the Workgroup since the March 2017 meeting.

Consumer Impacts

No consumer impacts are expected as a result of this change.

Environmental Impacts

None Expected

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) Co-ordinated, 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 agreements 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	None

satisfied as respects the availability of gas to their domestic customers	
(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 Cooperation of Energy Regulators	None

The proposer is of the view that this Modification better facilitates objectives:

(f) *Promotion of efficiency in the implementation and administration of the Code,*

as the drafting developed under iGT039 (whereby parts of the UNC are 'pointed to') will be aligned with the FGO arrangements under the UNC.

Workgroup View

Update from workgroup held in March 2017

The Workgroup were happy that this Modification focuses on relevant objective F. The original Modification included a positive impact on relevant objective D, however, after discussion it was determined that this would not have a significant impact on competition and therefore, was not deemed appropriate.

Update from workgroup held in April 2017

No change in view from the Workgroup since the March 2017 meeting.

8 Implementation

This modification must be implemented at NEXUS go live which is the point from which Xoserve will be providing services to parties under the IGT UNC. With NEXUS currently expecting to be implemented on June 1st this modification will need to be progressed as a self-governance change with a reduced implementation period. There are no additional costs expected as a result of this change.

Workgroup View

Update from workgroup held in March 2017

The Workgroup supported that this Modification should be implemented upon Project Nexus Implementation Date (PNID). The Workgroup discussed the Self-Governance timeframe for implementation of a Modification and recognised that the standard 2-month implementation lead time for documents only changes will not meet the scheduled date for Project Nexus Implementation. Therefore, the Workgroup recognised that a shortened Implementation lead time may be necessary and that this could also result in Implementation ahead of the closure of the appeal window.

Update from workgroup held in April 2017

Since the last meeting the Workgroup suggested that the Modification could go to Consultation after the Panel on 12th April with an intention to present a final modification report to a further extraordinary Panel meeting on 10th May 2017. This would ensure that both the Consultation window and Appeal window adhere to the 15 days as per the Code rules and still allow for implementation on 1st June 2017.

9 Legal Text

Text Commentary

This has been developed and externally reviewed by Lawyers appointed by the iGTs.

Text

To be provided separately. A link to the legal text can be found [here](#).

Workgroup View

Update from workgroup held in March 2017

At the March 2017 meeting the Workgroup reviewed the initial draft of the legal text and a small number of comments were made to be incorporated into a further revision. The revised version of this text will be sent for external legal view, along with the iGTs.

Update from workgroup held in April 2017

A further review of the legal text as amended following the external legal review was carried out by the Workgroup. Consensus of the Workgroup was that the legal text delivered the intentions of the Modification. The Workgroup also reviewed the proposed changes to the Standards of service query management ancillary document and agreed that this should be incorporated into the intention of iGT086 as per the terms of reference for RG001. The Workgroup agreed that this Workgroup report should be sent to an Extraordinary Panel meeting on 12th April with a recommendation to be sent to Consultation under the self-governance Modification rules.

10 Consultation

Panel invited representations from interested parties on 12th April 2017 with a consultation close out of 3rd May 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.

Representations were received from the following parties:			
Organisation	Response	Relevant Objectives	Key Points
BU-UK	Support	F - positive	<ul style="list-style-type: none"> It is necessary to update the legal text originally developed under IGT039 to reflect the addition of FGO arrangements which will come into effect for IGTs when they utilise the services of Xoserve as the CDSP from PNID (currently 1st June). This modification is required as FGO arrangements have been developed since the SSP requirements were developed under IGT039. We are therefore supportive of this modification. The legal text has been developed in conjunction with the Code Administrator and has been reviewed by an

			external legal firm. The legal text was also discussed at two IGT UNC work stream meetings with a small number of additional changes made.
Centrica Plc	Support	F - positive	<ul style="list-style-type: none"> • Following the implementation of the new Xoserve's Funding, Governance and Ownership (FG0) framework, the creation of the Central Data Service Provider (CDSP) and the Data Service Contract (DSC) which capture IGTs, it is correct the IGT UNC reflects these new arrangements, the role and obligation of the CDSP and how it interacts with all IGT UNC industry parties. Therefore, we support this proposal. • Following an extensive review, we are satisfied the Legal Text delivers the intent of the modification. (It should be noted that these modification changes are complex and extensive, therefore there is a risk small areas of Code or process may have been missed. • Given the likely requirement for a UNC Post Nexus legal review and the IGT UNC points directly to the UNC, it will be pertinent to for the IGT UNC to undertake a 'follow-up' review post Nexus, to ensure the IGT UNC is correct and remains fit for purpose).

11 Panel Discussions

Discussion

The Panel did not voice any opposing views to this Modification and were happy with the solution presented in this Modification. The Panel were also happy that this Modification should be considered as Self-Governance, which reflects the change to the implemented UNC equivalent.

Consideration of the Relevant Objectives

All Panel members agreed that this Modification meets the criteria set out in Objective F.

Determinations

The vote was carried out with three Pipeline Users (Kirsty Dudley acted as alternate for Andrew Margan) and three Pipeline Operators. The Panel agreed that the Modification should be implemented by a unanimous vote.

The Panel agreed that, as a Self-Governance Modification, it should be implemented on PNID (1st June 2017). This will be subject to a 15-day appeal window as per the Self-Governance process.

12 Recommendations

Panel Determination Self-Governance

Members agreed:

- that Modification 086 should be implemented