

**CODE MODIFICATION PROPOSAL No. 0048**  
**"Preparation of Legal Text for Users Modification Proposals"**  
**Version 2.0**

**Date:** 20/09/2005

**Proposed Implementation Date:**

**Urgency:** Non-Urgent

**Proposer's preferred route through modification procedures and if applicable, justification for Urgency**  
**(see the criteria at**  
**[http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752\\_Urgency\\_Criteria.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752_Urgency_Criteria.pdf)**  
**)**

There is no particular reason for addressing this issue under Urgent Procedures.

The proposal has a simple intent, to introduce the ability of the Modification Panel to require the Joint Office to issue Legal Text for non Transporter proposals at the point where the Draft Modification Report is published, as is the case for Transporters proposals. We do not believe that significant development is required and request that this Modification Proposal be issued direct to Consultation.

**Nature & Purpose of Proposal (including consequence of non implementation)**

As currently drafted, the Uniform Network Code - Modification Rules specify that legal text will be prepared and issued with the Draft Modification report in the case of Transporters proposals (9.8.1(b)). However, in the case of a non Transporter proposal this is only required at the point of the Final Modification Report, where implementation is recommended by the Modification Panel (9.8.1 (a) (i)), or where requested by the Authority (9.8.1 (a) (ii)).

Although it is asserted that the Business Rules or principles of a Modification are those which are consulted upon, the proposed legal text represents the actual amendment of the common contract. This is considered to be an essential part of the consultation process in many cases. It facilitates a more thorough understanding of any proposal if the proposed Legal Text is available for review. Therefore it is considered more helpful if the Legal Text were available for all Modification Proposals at the point at which they were consulted upon.

However, recognising that there is a cost incurred in preparing Legal Text, which may be significant, it is not proposed that Legal Text be prepared for all Modification Proposals. In most cases there will be clear advantages in enhancing the consultation process by provision of the Legal Text for consideration as an integral part of the consultation on a Modification Proposal.

This Modification Proposal would introduce the requirement for the Transporters to arrange for Legal Text to be issued with the Draft Modification report. However the Modification Panel may determine that text would not be prepared in certain circumstances where it considers the preparation of text would be uneconomic or inefficient. Such determination would be by simple majority of voting members present. This additional consideration would be afforded at the same time as the Modification Panel were referring the Proposal to consultation.

**Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A11.1 & 2 of the Gas Transporters Licence**

The provision of Legal Text, except where considered uneconomic or inefficient by the Modification Panel, would facilitate more comprehensive consideration and understanding of a Modification Proposal. This would enhance the effectiveness and the efficiency of the Modification process

By making the Legal Text available at an earlier stage, it would improve the efficiency of the Governance process and reduce delays in implementation.

Consequences of not making this change What will happen if the status quo remain

Non Transporter Proposals would continue to be consulted upon without the benefit of Legal Text being available.

**Any further information (Optional), likely impact on systems, processes or procedures, Proposer's view on implementation timescales and suggested legal text**

There would be additional costs incurred whenever Legal Text is to be prepared for a non Transporter proposal. However, by including the ability of the Modification Panel to waive this obligation, subject to a simple majority of voting members, there would be a control on unnecessary and unwarranted expenditure

**Code Concerned, sections and paragraphs**

Uniform Network Code - Modification Rules, Paragraph 9.8

**Proposer's Representative**

Mike Young (British Gas Trading Ltd)

**Proposer**

Mike Young (British Gas Trading Ltd)

**Signature**

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