

Modification Report
Preparation of Legal Text for Users Modification Proposals
Modification Reference Number 0048
Version 2.0

This Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 9.6.

1. The Modification Proposal

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.

2. Extent to which implementation of the proposed modification would better facilitate the relevant objectives

The Proposer believed that 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.”

A number of the respondents agree with the Proposer that this Modification Proposal better facilitates Standard Special Condition A11 paragraph 1 (f) of a Transporter’s Licence. Scotia Gas Networks (Scotia), Scottish and Southern

Energy plc (SSE), Genserv (Genserv) and E.ON UK plc (e.on) make direct reference to this relevant objective.

SSE concurs “with the proposer that implementing this proposal would satisfy the relevant objective specified in Standard Special Condition A11.1 (f), namely the promotion of efficiency in the administration of the network code and/or the uniform network code”

Genserv “agrees that implementation of the proposal would promote efficiency in the administration of the uniform network code”.

e.on believes that this objective will be facilitated “through ensuring that there is a more level playing field for both Transporter and non Transporter proposals, when requesting legal text to be drafted at the point where the Draft Modification Report is published”.

In its Proposal, British Gas Trading Limited (BGT) states that “by making the Legal Text available at an earlier stage, it would improve the efficiency of the Governance process and reduce delays in implementation,” and within its representation it “sees it as an improvement to the current process improving its efficiency”. It states that “since it is the legal text that ultimately defines a change to the UNC rather than any business rules or descriptive text, then the earlier in the process parties have sight of it and opportunity to comment, the more effective and efficient the process will be”.

Shell Gas Direct (SGD) agrees with the Proposer that it “would improve efficiency of the governance process and reduce the potential for unnecessary delays in implementation. It also agrees with the Proposer that it “would further the Relevant Objectives by improving the governance of the Code and efficiency of the process. Increased efficiency in this way should promote efficient competition between shippers and relevant suppliers”.

Scotia (SGN) believes that it “would improve the effectiveness and efficiently [sic] of the consultation process and potentially the quality of responses and determination. It should help minimise the risk of delay, the need for further explanatory notes or Workstream meetings and at the most extreme, reduce the need for subsequent or additional consultation”. It also believes “that such an arrangement should improve the efficiency and effectiveness of the modification process and ultimate decision”.

SSE believes “that it would satisfy the relevant objective specified in Standard Special Condition A11.2 through development of the mechanism by which any of the uniform network code and each of the network codes prepared by each relevant gas transporter may be modified”. It believes that “making the legal text available at an earlier stage in the consultation process will make UNC governance more efficient and enable parties to comment on the actual intent of the proposal as part of the response to the consultation on the draft modification report”.

Gemserv believes that provision of legal text would better facilitate 9(d) of that condition, in giving greater publicity to the proposed change by expressing it in terms that can be directly compared to the existing drafting.

Three respondents do not believe that this Proposal will better facilitate the relevant objectives:

National Grid Gas plc (UK Distribution) (“Distribution”) is of the “opinion that implementation would not promote the efficient discharge of its obligations relating to the implementation and administration of the Unified Network Code”.

Northern Gas Networks (NGN) believes “that it fails to further the following relevant objective, A11.1 (f) in that the application of the proposal would impede the efficiency of the implementation and administration of the uniform network code”. It believes that “the most efficient administration of the uniform network code would be best facilitated by utilising the existing processes whereby Ofgem instruct transporters to supply legal text, or more pertinently that shipper proposals deemed to benefit from legal text have such text provided by the proposer in the first instance”.

National Grid Gas plc (NTS) does not believe that implementation would support the relevant objectives it “opines that this amended approach documented within UNC Modification Proposal 0048 does not further the relevant objectives documented within Section 1(f), Standard Special Condition A11 of the Gas Transporter Licence”. It believes that the default position “requiring the preparation of text is not appropriate and could lead to text being prepared unnecessarily and therefore inefficiently”.

3. The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation

No such implications have been identified.

4. The implications for Transporters and each Transporter of implementing the Modification Proposal, including

a) implications for operation of the System:

No such implications have been identified.

b) development and capital cost and operating cost implications:

In the Modification Proposal the Proposer pointed out that in the event of implementation there would be costs incurred in preparing Legal Text, which may be significant and it is not therefore proposing that text be provided for all Modification Proposals.

SGN believes that “the proposal is likely to result in additional cost for Transporters in providing legal resource. However SGN does not anticipate that this will be significant”. It believes that this should be “kept under review”.

e-on “consider that any potential additional cost, resulting from the implementation of this proposal is immaterial, when weighed against the benefits of the efficiencies gained. Moreover, under the current arrangements, the potential always exists for legal text to be written and the proposal to be later rejected”.

SSE believes “that by providing the Panel with the ability to determine whether or not legal text should be prepared prior to consultation on the proposal itself should ensure that the Transporters do not incur unnecessary costs.” It “would have thought that it would be possible for the Panel to be given an indication of the likely costs associated with the Transporters providing legal text. Such information ought to enable Panel members to make an informed decision as to whether or not it would be efficient and economic to instruct the Transporters to provide legal text when the Panel is considering whether or not to send a proposal to consultation”.

SGD considers that the benefits of “increased efficiency and more timely implementation is likely to offset the minor increased costs in producing legal text”.

NGN believes that in certain “eventualities” “significant costs” will be added to the process and states that “the loading of costs onto transporters as per the proposal, is not in NGNs view, an appropriate manner in which the administrative function Uniform Network Code costs should be borne”.

Distribution are “concerned that to provide legal [text] for every proposal establishes a regime that cements in place rights for Shippers, and obligations for Transporters, without aligning this with accountability. This might result in the imposition of considerable additional costs for the Transporter with no control over the frequency and extent of such costs. This would not seem to be consistent with a regime where a party should bear the costs associated with its actions or licence obligations”.

NTS states that “the implementation of this Modification Proposal, changing the Modification Rules, will increase Transporter operating costs due to production of additional Legal Text for Modification Proposals, which are not then implemented”.

Npower (RWE) suggests that “there could be an alternative to Transporters having to incur costs in drafting the legal text. When a Shipper raised mod is submitted to the Mod Panel it could include the legal text... The provision of Legal text in the Proposal is unlikely to be undertaken lightly and would only reinforce the well intentioned action of the Proposer”.

c) extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:

In the Modification Proposal the Proposer does not make recommendations regarding additional cost recovery. Respondents were invited to reflect on how costs should be recovered in the event that legal text were provided but subsequently the Modification Panel did not recommend approval and the Proposal was not implemented.

The Proposer believes that the “the issue of cost recovery is misleading. Transporters already incur costs for drafting legal text in support of their

proposals, not all of which result in an approved change to the Code. Since the proposal does not require that all proposals have to have legal text drafted we do not think that the increase in costs should be significant and any “recovery of costs” for changes that were not approved should fall as now on the Transporters as part of the cost of the Modification process”.

SGD “note that Joint Office raises the issue of how costs should be recovered if legal text is provided but the Panel did not recommend implementation and the Proposal was then not implemented. SGD considers that this concern already exists with transporters' proposals some of which have not been supported by the Panel and then not been implemented. We consider that if this is a central cost relating to governance of the UNC and any alternative approach would need to be considered equally for both Users' and transporters' proposals to ensure that there was no undue discrimination”.

Gemserv notes that “although no argument is advanced in favour of additional cost recovery the DMR invites respondents to consider "how" the costs of providing abortive legal text should be recovered if the Panel does not ultimately recommend implementation of a proposal. Whilst the DMR is a little unclear Gemserv believes that the suggestion of cost recovery is confined to user-originated proposals”. It “..infers from this a belief on the part of transporters that additional costs should be recovered in the stated circumstances as provision of text will have been found inefficient. In our view such a presumption would be unsafe as it may very well be through the additional clarity in the consultation process afforded by the provision of text that the Panel is able to come to a better informed view on implementation. This view complements the opinion that this proposal further facilitates the relevant objectives”.

SME Note: It was not the intention of the SME to imply any collective belief on the part of Transporters rather it was the SME’s intention (acting in accordance with the SME Code of Conduct) to encourage respondents to consider whether it is appropriate to recover any additional costs which may be incurred as a result of implementation of this Modification Proposal.

It is Gemserv’s “view that additional cost recovery is not justified in respect of this proposal”.

NTS has responded that “Currently no mechanism exists for Transporters to recover the costs of Legal Text production from the Joint Office or Proposers. A further Modification to the UNC would be required if it was considered more appropriate that the cost of provision of Legal Text for these Modification Proposals, that are subsequently rejected, should be recovered from the Proposer. Without such cost recovery these costs would need to be smeared to all Users through general transportation charges”.

d) analysis of the consequences (if any) this proposal would have on price regulation:

Distribution “believes that implementation would establish a regime that would inappropriately enable Shippers to impose costs on Transporters, to a degree which is both indeterminate and uncontrollable. Such costs have not been included in Transporters price controls”.

NTS suggest that without a mechanism for cost recovery they “would need to be smeared to all Users through general transportation charges”.

5. The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal

It is not envisaged that the implementation of this Modification Proposal would increase the level of contractual risk of each Transporter under the Code.

6. The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users

No changes would be required to the UK Link System to facilitate implementation of this Modification Proposal.

7. The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk

The Proposer has indicated that implementation would provide a greater level of clarity on Modification Proposals and this would assist Users in their representations.

The Chemical Industries Association (CIA) concurs with the Proposer and states that “By having the legal text available for non-transporter proposals that require it, the CIA will be able to provide a more informed and reflective opinion of the proposal, as opposed to commenting on the intent of the proposal.” CIA believes that it “would be especially beneficial in the case of complex proposals where responders would be given the opportunity to comment on the adequacy of the proposed legal text”.

SGN believes that consulting on the business rules or principles can cause problems where they are “open to interpretation. Where this is picked up at an early stage, this can result in further explanatory notes being produced or Workstream meetings being held to provide additional clarification or information. If not picked up at an early stage, it can result in incomplete or inaccurate views being given as part of the consultation process. In some cases this is only picked up at a very late stage when legal text is prepared. SGN believes that by providing an opportunity to provide legal text for User modification proposals from an early stage, greater clarity should be provided, ensuring a consistent understanding across the industry. This should help ensure rigorous and thorough analysis and consideration of the issues”.

e-on concurs that “the provision of legal text can greatly improve respondent’s understanding of a proposal and therefore better inform their response and as a result, better support the Authority in making their decision. The Authority is also likely to have legal text available at an earlier date than might otherwise be the case and so this proposal may speed up the governance process”.

SSE concurs that this approach “would be beneficial to all parties, as it should ensure that it is clear exactly which parts of the UNC would be amended if a proposal were to be implemented”. It also believes that it will “reduce the likelihood of misinterpretation of a proposal and therefore ought to assist parties when making their representations. This in turn ought to improve the governance process overall”.

(SGD) supports this proposal. It notes “that the proposal does not require that all Users' proposals have legal text prepared but only those where the Panel considers the preparation of text would improve consultation and improve clarity for all signatories to the Uniform Network Code (UNC), including both Users and transporters”.

SME Note: The SME has confirmed that the respondent supports provision of legal text by default (version 2.0 Modification Proposal) rather than this being only where the Panel considers it appropriate.

BGT states that “since it is ultimately the legal drafting that defines a change this proposal would provide greater clarity on all future Modification Proposals”.

RWE suggests that “the contractual arrangement between Transporters and Shippers is defined by the wording in the UNC and not in a mod proposal. It is important that every party to the UNC should have the opportunity to consider and comment upon any changes to the contractual arrangements”.

8. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party

The Proposer has indicated that implementation would provide a greater level of clarity on Modification Proposals and this would assist Non Code Parties in their representations.

SSE agrees that it will “assist parties when making their representations”.

9. Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal

A requirement for Transporters to arrange for the provision of legal text to be issued with the Draft Modification Report would have the effect of introducing an earlier obligation between Transporters and Users and Non Code Parties which would have corresponding contractual implications. Respondents were invited to comment on this in their representations.

Gemserv believes that “this statement is slightly inaccurate as the obligation to provide legal text with the DMR in the case of transporter originated proposals already exists. As the modification rules are part of the contractual arrangements between transporters and users then this proposal inevitably has some contractual implications but the likely extent of these are difficult to judge. The proposal brings forward the need for legal text for a proportion of users proposals and introduces it where it does not presently exist for a further

proportion. These seem relatively minor changes and do not distort the balance of the UNC.

Gemserv is unaware of any contractual implications for Non Code Parties”.

SME Note: The SME would clarify that one UNC party under this Proposal would be performing a contractual obligation for another party at an earlier point than exists under the existing contractual arrangements.

BGT sees “no earlier obligations or contractual implications”.

NTS suggests that “this option places a regulatory obligation on the Joint Office within the Modification Rules to secure preparation of Legal Text for Non-Transporter Modification Proposals prior to consultation. An obligation by association is then passed to Transporters to deliver the required Legal Text”.

10. Analysis of any advantages or disadvantages of implementation of the Modification Proposal

The Proposer stated: “Making the legal Text available at an earlier stage would improve the efficiency of the Governance process and reduce the potential for delays in implementation”

The Draft Modification Report states that earlier sight of the indicative legal text would allow more time to review and would aid more complete understanding of the Proposal allowing assessment of its feasibility.

Gemserv would add “that the proposal will make the governance process more transparent as it introduces a further degree of parity in the treatment of proposals.

NTS “do not consider that this Modification Proposal offers any advantages over current arrangements”.

As stated in the Draft Modification Report there would be an increased potential to incur unnecessary costs that would be associated with the production of the legal text for Proposals that could ultimately be rejected.

Gemserv believes that the “proposed disadvantage of potentially unnecessary costs is, in” its “view outweighed by the advantages and is in any event likely to prove relatively minor”.

SSE believes that requiring the Panel to vote for text to be provided, or not, should be sufficient safeguard against incurring unnecessary costs and that there could be additional information provided to Panel regarding the cost of providing legal text to help with such decision-making.

SGN believes that by taking a decision by simple majority vote not to produce text at “the same time as the Panel vote on whether to refer a proposal to consultation...” “is an appropriate decision point and should provide adequate protection against unnecessary or inefficient use of resource”.

CIA recognises that “there will be situations when it would be inefficient to develop legal text and further support the proposal that the Modification Panel may determine that text should not be prepared in these scenarios”.

NTS believes that the Proposal has the following disadvantages:

“could lead to delays in the Modification Process to allow time for legal drafting of Modification Proposals prior to issue for Consultation.

Could lead to poor or inappropriate legal text when insufficient time is allowed for the generation of legal text, or when preparation identifies that the Modification Proposal was insufficiently developed to enable suitable legal text to be provided

Will increase costs of facilitating Non-Transporter Modification Proposals and will allocate these costs to all Users with no means for appropriately targeted cost recovery from the Proposer”.

Respondents were asked within the Draft Modification Report to comment on whether implementation would reveal the voting preference of Panel members at an early stage.

e-on “do not agree that this proposal would reveal the voting preference of the Panel at an early stage; legal text should be requested to provide clarity for a proposal and should not be interpreted as support or otherwise”.

SSE does “not agree that the proposal reveals the voting preference of Panel members at an early stage. The Panel’s role at this stage is to consider whether a proposal is sufficiently developed to proceed to consultation. If it is the Panel’s view that legal text would facilitate the consultation process, and provide a more informed response to such consultation, we believe that this is separate to whether or not the Panel considers that the proposal should be recommended for implementation”.

BGT notes “the comment regarding Panel preferences being revealed at an early stage, but do not believe that this is either necessarily true or a problem. Firstly the decision that the Panel is being asked to make is different at each stage i.e. is the proposal ready to be consulted on, and would legal drafting help that discussion or likely to be needed; or is it being asked to say based upon all the discussions and written submissions that it believes the proposal should be implemented. Secondly, we do not accept that the first decision in any way fetters the decision making of the Panel at the Recommendation stage”.

Gemserv believes that it would be wrong to see a vote not to provide legal text “as indicative of an individual member's preference as the most probable grounds for deciding against the provision of text at an early stage would be that the proposal did not, prima facie, further the relevant objectives”.

RWE suggests that “There is always the danger that a vote not to include the legal text could be construed as a vote on the merit of the proposal”. RWE does “not believe that this seriously undermines the value of the proposal”.

11. Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)

Eleven representations have been received for this Modification Proposal. Eight of the representations are supportive and three do not support its implementation.

RWE suggests that “there is a certain aspect of this proposal that is not clear, in that there are no guidelines as to when the Panel should recommend that legal text is not included in the Draft Mod Report”.

SGN expects “the Panel to act responsibly in considering and determining whether it is appropriate or efficient to require legal text. In this way it should be possible to avoid or minimise unnecessary or inefficient use of Transporter resources”. It suggests that “if the modification proposal were deemed to be straightforward, sufficiently well defined or alternatively require further development or clarification, we would expect the Panel to determine that legal text should not be prepared”.

CIA believes that “It would be beneficial for non-transporter proposers to identify whether they believed legal text would be beneficial or not when submitting their modification proposals to help inform the modification panel”.

SGN believe that “Users should continue to be encouraged to provide their own suggestions on legal text or an indication of how the proposal could be implemented, including relevant sections of the UNC that they believe will need to be amended”.

“One primary concern NGN has with this proposal is the inevitable instruction chain that will be necessarily required between transporters lawyers, and the shippers proposer. Some recent modifications in the view of NGN would be incapable of legal text provision without significant liaison and dialogue with the proposer to establish the clear intent of some of the less well defined business rules in the proposal”.

NGN suggests that “such eventualities whilst not the norm, would add significant costs to the process. In such scenarios, a transporter would require a single point of contact to ensure consistency of instruction and approach. This scenario poses a serious concern as to what a transporter is required to do if it believes the proposal is insufficiently clear to be able to provide legal text”.

NTS believes that this Proposal is “inconsistent with other Panel and UNC committee voting arrangements where a majority is required to approve an action. In this scenario the views of those Modification Panel members who bear the cost of Legal Text preparation could be discounted”.

NTS has concerns regarding the provision of legal text and the timescales for its preparation.: “For complex or poorly defined Modification Proposals the provision of the Legal Text could involve significant discussion between the party drafting the Legal Text and the Proposer”. It goes on to say that “production of Legal Text may be required from a legal representative employed by a Transporter, whose Transporter employer does not support the intent or objective of the Modification Proposal. This situation would create conflict of interest, as the legal representative would be required to receive instruction from the client [The Transporter] and not other parties [The Proposer]”. NTS suggests that “to prevent such an occurrence, supporting the right for Users to provide suggested Legal Text and to take appropriate responsibility, a User should itself commission any Legal Text drafting”.

Distribution also highlights a potential conflict of interest “production of text to accompany a proposal to which the Transporter may be opposed puts the Transporter lawyer into a potential conflict of interest situation they must take instruction from their client and not other parties. This does not apply at the later stage or where Ofgem request the text. To prevent such conflict of interests, a Shipper could commission its own drafting and thereby align rights and accountability”. Distribution suggests that “Where the proposal is complex and a

number of iterations of legal drafting are required, Distribution is concerned that the transporter lawyer may need to take further instructions and the time required to produce the Draft Modification Report would have to be extended. In reality, in many cases the consultation could have proceeded without text, which would seem to be a more efficient use of resources and time”.

Distribution “believes the modification process would work less efficiently, and provide for inferior governance arrangements, than is currently the case, since it would introduce the additional bureaucracy of another panel vote and would lead to time delays because of requirement to provide Draft Modification Reports containing legal text in virtually all cases. Resources should be targeted on the proposals most likely to be implemented and Ofgem is the best judge in this respect”.

Distribution points out that “A vote that could stop the production of legal text for a particular proposal would be different in nature to the other panel votes: with this one, there would be no positive aspect for the Transporters and no negative aspect for Shippers. Why would a Shipper ever vote for the Transporters to be relieved of their obligation to provide text?” in its opinion “All the logic, as well as the commercial and contractual incentives, dictates that it would be far better to leave the decision to direct the production of legal text in the hands of Ofgem”.

Distribution believes that “legal drafting should not be a replacement for quality development and it should not be used to draw out commercial issues as part of the consultation. However, in the unlikely event the implementation decision could sway on the existence of legal text, Distribution supports its production and believes it is wholly appropriate and correct that Ofgem is able to direct on this matter”.

Gemserv also express concerns about the potential conflict of interest and suggest that the fifteen days normally allowed for the preparation of the legal text may not be sufficient. Gemserv goes on to make suggestions outside the scope of this Modification Proposal.

NGN asks “can the transporter recommend the proposal is returned to the relevant workstream? Can any proposal be issued with a note from the relevant transporter stating that in its view the proposal is insufficiently clear for a 3rd party to provide the required legal text? It is NGNs view that any legal text provided must be accepted by a proposer, albeit any concerns can of course be raised in any subsequently issued modification report with the accompanying legal text”

CIA, SSE and RWE have highlighted that there have been instances where it “would have been beneficial for responders to comment on the adequacy of the legal text at the DMR stage”. SSE believes that on occasions in its experience “there has been inconsistency between what has been put forward in a modification proposal compared with the legal text provided with a Final Modification Report” and RWE believes that “the way the current rules work in that the legal text ... may not be available for comment during the consultation phase could lead to unfortunate wording in the drafting of the legal text”.

CIA “would seek clarity as to how it will be assessed whether it is uneconomic and inefficient to provide legal text, as these are vague criteria”. The SME can confirm that the Proposer believes that it is appropriate for the Modification

Panel Members to consider whether it is uneconomic and inefficient as it is the most appropriate/suitable body to take a decision of this nature.

12. The extent to which the implementation is required to enable each Transporter to facilitate compliance with safety or other legislation

Implementation of this Modification Proposal is not required to facilitate such compliance.

13. The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence

The Proposal is not required for any such proposed change.

14. Programme for works required as a consequence of implementing the Modification Proposal

No programme for works would be required to facilitate implementation of this Modification Proposal.

15. Proposed implementation timetable (including timetable for any necessary information systems changes)

No implementation timetable has been suggested and the SME assumes that should the Proposal be approved, it would be implemented immediately following approval.

SGN believes that “as there are no system implications or significant resource implications, SGN believes that implementation should be possible immediately following approval”.

16. Implications of implementing this Modification Proposal upon existing Code Standards of Service

No such implications have been identified.

17. Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel

At the Modification Panel Meeting held on 1 December 2005, of the 9 Voting Members present, capable of casting 10 votes, 7 votes were cast in favour of implementing this Modification Proposal. Therefore the Panel recommend implementation of this Proposal.

18. Transporter's Proposal

This Modification Report contains the Transporter's proposal not to modify the Code and the Transporter now seeks agreement from the Gas & Electricity Markets Authority in accordance with this report.

19. Text

“UNIFORM NETWORK CODE

MODIFICATION RULES

Paragraph 9.8.1.(a) delete “if”

Amend paragraph 9.8.1 (a) (i) to read

“(i) unless directed otherwise by the Modification Panel, for inclusion in the draft Modification Report prepared under paragraph 9.3; or “

Add “if” to the start of Paragraph 9.8.1 (a) (ii)

Subject Matter Expert sign off:

I confirm that I have prepared this modification report in accordance with the Modification Rules.

Signature:

Date :

Signed for and on behalf of Relevant Gas Transporters:

Tim Davis
Joint Office of Gas Transporters

Signature:

Date :