

TRANSCO NETWORK CODE
APPLICATION TO THE AUTHORITY
SEEKING A VIEW REGARDING
MODIFICATION PROPOSAL REF 0738

1. Summary

Transco is seeking the view of the Authority as to whether Modification Proposal Ref 0738 should continue to be dealt with under the Modification Rules. This Application is made in accordance with Condition 9 (5) (d) of the Standard Conditions of Gas Transporters' Licences.

2. Modification Proposal

The original scope of the Gemini Capacity API project was to produce a like-for-like API for each screen function. In its present form, the API does not allow straight-through processing for capacity registration, confirmation, modification and withdrawal.

The objective of this Modification Proposal is to address omissions from the original scope of the Gemini Capacity API project.

This Modification proposes to add functionality to the Gemini Capacity API.

The additional functionality proposed would match the functionality currently available through the screens in Gemini.

Specifically, the proposed change involves providing API support for the following functions:

1. confirmation of a capacity trade - replicating screen functionality currently available via the "Confirm" button;
2. withdrawal of a (un-confirmed) capacity trade - replicating screen functionality currently available via the "Withdraw" button
3. rejection of a (un-confirmed) capacity trade - replicating screen functionality currently available via the "Reject" button.

The "Trade Details" screen on Gemini lists trades. Its menu path is "Home->Trade->Trading->Query Trade Details". The screen makes available several buttons implementing actions against individual trades.

The purpose of this Modification Proposal is to address omissions from the original scope of the Gemini Capacity API project.

The benefits offered by this Modification Proposal from reducing the possibility for processing errors and in the time taken to undertake processing, thereby reducing business risk for the community, would be consistent with the objective of enabling economic and efficient operation of the System.

Without APIs support at each stage of the capacity trade life-cycle, users will have to log on to Gemini manually. Logging on via the Citrix interface is cumbersome, time consuming and error prone. Omission of this functionality from the API results in increased business risk to the shipping industry as a whole, as it precludes any form of straight through processing for capacity trades.

Proposed by David Slack (BP Gas Marketing Ltd). Proposer's representative Stewart Davis.

3. Circumstances Leading to This Application

The Modification Proposal had been sent to the January 2005 Network Code Panel meeting. The Panel asked Ofgem for a legal point of view on the validity of the Modification Proposal. The Panel failed to send to consultation and the proposal was referred to the next Governance Workstream in February 2005. The Governance Workstream considered that the Proposal should not of been accepted as a Network Code Modification. Therefore no further development could be done on the proposal.

4. Transco's Opinion

Transco are firmly of the opinion that the content of the Modification Proposal relates to detailed system functionality which is not, in Transco's opinion, the purpose of the Code and is not in agreement with a move to start specifying in Code what functions the system will perform. The Code has been written on the basis that systems are assumed for Code obligations but the obligations are expressed without reference to the system functionality. Transco seeks Ofgem's view that this principle remains. As such it would not seem worthwhile to expend further industry time and effort in consideration of this Proposal.

For the reasons stated, Transco wishes to allow this Proposal to lapse without further development and seeks the Authority's agreement to this course of action.