

Modification Report
Isolations - Changes required in accordance with the Review of Gas Metering Arrangements (RGMA)
Modification Reference Number 0675
Version 1.0

This Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 8.9.3.

1. The Modification Proposal

Modification of the Network Code is required to introduce a new Isolations regime. The primary features are described as follows:

- Revision of the definition of Isolation and the provisions governing Isolation status.
- Revision of relevant provisions to clarify that Isolation is a Network Code contractual status and does not constitute physical works.
- Removal of the reference to Transco undertaking physical works as a pre-requisite for Network Code Isolation.
- Removal of the Isolation Siteworks Agreement (an existing Network Code ancillary document).
- Removal of existing Isolations request related provisions and insertion of User notification requirements.
- Clarification of how a Supply Point Withdrawal may become effective under the new Isolation process.
- New provisions governing Re-establishment of an Isolated Supply Meter Point.
- New provisions to ensure that where the meter has been left connected to Transco's system that the User remains responsible following effective Withdrawal for ensuring that the meter is disconnected from Transco's Network within twelve months of such withdrawal.
- New provisions detailing Transco's responsibilities where an Isolated & Withdrawn Supply Point remains connected to its system after twelve months.
- Amendment of miscellaneous provisions of Section G and M of the Network Code to clarify the impact of metering liberalisation.

2. Transco's Opinion

This Modification Proposal is one of a suite of, and is complimentary to, seven relating to the Review of Gas Metering Arrangements (RGMA) programme and numbered 0672 - 0678.

It is Transco's opinion that this Modification Proposal should be implemented.

Commensurate with the new Isolations regime would be the introduction of new UK-Link functionality which would facilitate more efficient and rapid procurement of a Network Code Isolation by Users.

The new regime features an overhaul of the existing Network Code Isolations provisions and elimination of the Isolation Siteworks Agreement and was developed by the Meter Asset/Work (Isolations) Unbundling sub-group of the Supply Point & Billing Workstream. The detailed business rules produced by the sub-group are attached.

If this Modification Proposal were not implemented, redundant Network Code Isolations provisions and the Isolations Siteworks Agreement would be retained. Transco would also be unable to introduce new UK-Link functionality to facilitate an Isolation request.

3. Extent to which the proposed modification would better facilitate the relevant objectives

The purpose of this Modification Proposal is to ensure that the Network Code Isolations regime reflects the liberalised metering market and is consistent with the requirements of RGMA. The measures identified within this Modification Proposal facilitate Transco's GT Licence Relevant Objective of ensuring effective competition between shippers and and between suppliers.

4. The implications for Transco of implementing the Modification Proposal , including

a) implications for the operation of the System:

No implications for the operation of the system have been identified.

b) development and capital cost and operating cost implications:

Transco would incur costs in amending its UK-Link system.

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

Transco does not propose any additional cost recovery.

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

No such consequences have been identified.

5. The consequence of implementing the Modification Proposal on the level of contractual risk to Transco under the Network Code as modified by the Modification Proposal

Implementation of this Modification Proposal would not increase the level of Transco's contractual risk.

6. The development implications and other implications for computer systems of Transco and related computer systems of Users

Transco would be required to be make changes to its UK Link system to facilitate implementation of this Modification Proposal. Users would also be required to amend their computer systems.

7. The implications of implementing the Modification Proposal for Users

Users would need to make changes to relevant internal procedures and processes to facilitate implementation of this Modification Proposal.

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

No such implications have been identified.

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

No such consequences have been identified.

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

Advantages:

- Encompasses all Isolations related contractual provisions within the Network Code.
- Introduces a simplified Isolations regime including removal of the Isolation Siteworks Agreement.
- Provides a mechanism by which Users may Isolate and/or Withdraw from ownership of a Supply Meter Point while leaving the Supply Meter connected (but disabled) to Transco's network for a limited period.
- Maximises User choice in undertaking physical works as a pre-requisite for Isolation.
- Facilitates a simple mechanism (supported by new systems functionality) for procuring an Isolation.

Disadvantages:

- The integrity of the proposed Isolation regime is particularly reliant on Transco and User adherence to procedure.

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

Four representations were received with respect to this Modification Proposal. Three respondents express support for its implementation and one does not express a view.

One respondent has provided comments on the legal text. These are detailed below with Transco's response:

Provision	Comment
G2.4.11	<p>Paragraph 2.4.11 already exists. Should this be 2.4.13?</p> <p><u>Transco agrees - drafting has been changed.</u></p> <p>In part (a), replace “a consumer” with “the consumer”.</p>

	<p><u>Transco agrees - drafting has been changed.</u></p> <p><i>Should the “another” referred to in the definition of MAM refer to the Gas Act Owner?</i></p> <p><u>No.</u></p>
G3.2.1(ii)	<p>Why is there a provision for “(a) and (b)” together, when the beginning of this paragraph refers to either/or?</p> <p><u>Transco has made appropriate drafting changes to clarify i.e. remove ‘either’ and insert ‘and/or’.</u></p>
G3.4.2	<p>The term “Effective Supply Point Withdrawal” is not defined.</p> <p><u>Transco believes it is – see G3.2.1.</u></p>
G3.5.3	<p>Paragraph 3.4.1 does not contain any obligation that this paragraph could supplement. The words “For the purposes of paragraph 3.4.1” should therefore be deleted.</p> <p><u>Transco acknowledges the concern - drafting has been changed to better reflect.</u></p>
G3.5.6	<p>This drafting is inaccurate as notification takes place after cessation, yet this drafting puts an obligation on the User after the notification. This should be drafted as per the Business Rules, i.e. “Transco shall be entitled to assume that the User has taken all reasonable steps” etc.</p> <p><u>Transco acknowledges the concern - drafting has been revised.</u></p> <p>“experienced operator” should be replaced with “experienced person”.</p> <p><u>Transco agrees - drafting has been changed.</u></p>
G3.6.1(a) and (b)	<p>It is not the cessation of flow that is undertaken – redraft as follows: “undertaking works to cease the flow”.</p> <p><u>Transco agrees – drafting (G3.6.2(a) & (b)) will be changed.</u></p>
G3.7.1	<p>The Business Rules include the words “and request a relevant notification so that the Supply Point Meter can be re-established”.</p> <p><u>Transco does not agree - this is covered by G3.7.2 because when Transco informs the User then it is made aware of this fact and has to notify under G3.7.2 so that Transco can re-establish.</u></p>
G3.7.6	<p><i>The definition of “Relevant Registered User” should be deleted.</i></p> <p><u>Transco does not agree. Referred to in G3.7.5 (a) & (b).</u></p>
G3.7.7	<p>The words “the reasonable satisfaction of” should be deleted as these are not included in the Business Rules. Replace “evidence” with</p>

	<p>“notification”.</p> <p><u>Transco agrees - drafting has been changed.</u></p> <p>Replace 'evidence' with 'notification'.</p> <p><u>Transco agrees - drafting has been changed.</u></p>
G3.8.1(b)	<p>In line 4, add “reasonable and proper” before “Transco’s costs”.</p> <p><u>Transco does not agree – the reference is to Transco’s charging statement. The prices are stated and unambiguous.</u></p>
Business Rule (1)	<p>3, 5 and 6 have not been implemented.</p> <p><u>Transco agrees with 5 & 6 – drafting will be changed – (G3.4.4, G3.4.5 & G3.4.6 deleted) (also applies to section 7). 3 is reflected in G3.5.4.</u></p>

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

Implementation 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 Standard Condition 4(5) or the statement furnished by Transco under Standard Condition 4(1) of the Licence

This Modification Proposal is not required to facilitate any such change.

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

Transco would be required to be make changes to its UK Link system to facilitate implementation of this Modification Proposal.

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

This Modification Proposal should be implemented effective from 12 July 2004, being the RGMA 'cutover' date.

16. Recommendation concerning the implementation of the Modification Proposal

Transco recommends that this Modification Proposal be implemented.

17. Restrictive Trade Practices Act

If implemented this proposal will constitute an amendment to the Network Code. Accordingly the proposal is subject to the Suspense Clause set out in the attached Annex.

18. Transco's Proposal

This Modification Report contains Transco's proposal to modify the Network Code and Transco now seeks direction from the Gas & Electricity Markets Authority in accordance with this report.

19. Text

Section G: 2.4 Supply Point Offers

2.4.2 A Supply Point Offer will specify in relation to the Proposed Supply Point:

- (a) the identity of the Proposing User;
- (b) the address(es) of the Supply Point Premises;
- (c) the Supply Meter Point Reference Number, manufacturer's serial number, and (where the Proposed Supply Point comprises a Sub-deduct Supply Meter Point) Meter Link Code of each Supply Meter Point comprised in the Proposed Supply Point Registration;
- (d) where the Proposed Supply Point includes one or more NDM Supply Meter Points:
 - (i) the Applicable End User Category in accordance with Section H1.7;
 - (ii) Supply Point Capacity and NTS Exit Capacity (in accordance with Section H4.1); and
 - (iii) the Nominated Meter Reading Frequency or (where more frequent) the minimum Meter Reading Frequency required under Section M3 in respect of each relevant Supply Meter;
- (e) where the Proposed Supply Point includes one or more DM Supply Meter Points:
 - (i) details in respect of Supply Point Capacity and Supply Point Offtake Rate in accordance with paragraphs 2.4.3;
 - (ii) whether the Proposed Supply Point is a Firm Supply Point or an Interruptible Supply Point, and (if Interruptible) whether TNI and whether (as respects the DM Supply Point Component) SDMC(I);
 - (iii) details of the Daily Read Equipment installed and the Supply Meter Point Reference Number of each Supply Meter Point at which any such Daily Read Equipment is installed;
- (f) the Exit Zone and (where applicable) LDZ in which the Proposed Supply Point is located;
- (g) the Annual Quantity for each Supply Meter Point;
- (h) Supply Point Transportation Charges;
- (i) the Supply Meter Point Reference Number of any Supply Meter Point comprised in the Proposed Supply Point which has been Isolated ~~or in respect of which a request for Isolation is outstanding~~; and
- (j) a number by which the Supply Point Offer may uniquely be identified; or
- (k) where a User has made a Supply Point Nomination in accordance with paragraph 2.3.2(i) or 2.3.9(c)(i), the distance between the Specified Entry Point and the Proposed Supply Point, the six figure grid references, the capacity of the Proposed Supply Point and the NTS Optional Commodity Rate; or
- (l) where a User has made a Supply Point Nomination in accordance with paragraph 2.3.2(j) the Notional NTS Connection Point, the distance between the Notional NTS Connection Point and the Proposed Supply Point, the eight figure grid references, the capacity of the Proposed Supply Point and the LDZ Optional Capacity Rate;
- (m) the identity of the Gas Act Owner;

(n) the identity of the Meter Asset Manager.

2.4.10 The matters referred to in paragraph 2.4.9 are:

(a) the Supply Meter Points comprised in the Proposed Supply Point;

(b) the Annual Quantity, End User Category and Supply Point Capacity of the Proposed Supply Point; and

(c) whether at the date of the Supply Point Offer any Existing Supply Point (if Interruptible) is TNI, and (if so) the number of Days of the Interruption Allowance.

2.4.13 For the purposes of Code:

(a) “Gas Act Owner” is the consumer, holder of a Gas Transporter’s Licence or relevant supplier that owns the meter (and for the purposes of this definition owner includes a lessee) and which in accordance with the Gas Code is responsible for keeping it in proper order for correctly registering the quantity of gas supplied;

(b) “Meter Asset Manager” is an organisation that works on behalf of another to install, replace, repair and maintain a Supply Meter Installation.

Section G: 2.5 Supply Point Confirmations: General

2.5.5 A Supply Point Confirmation may not be made, and Transco will reject any Supply Point Confirmation submitted:

(a) (except in respect of a Shared Supply Meter Point), in respect of a Proposed Supply Point comprising any Supply Meter Point comprised in a Proposed Supply Point in respect of which any other Supply Point Confirmation has been made and is (in accordance with paragraph 2.5.9) outstanding;

(b) in respect of a Proposed Supply Point comprising any Supply Meter Point (other than a New Supply Meter Point) in respect of which there is any request for Siteworks outstanding or any Siteworks Contract which has not been completed, other than for Isolation, and for which the Siteworks Applicant is a gas shipper other than the Proposing User.

Section G: 2.10 Supply Point Confirmation: Effect of Isolation

2.10.1 A Supply Meter Point comprised in a Proposed Supply Point for which a Supply Point Confirmation has been submitted may, at the request of the Existing Registered User, be Isolated on any Day before (but not on or after) the Proposed Supply Point Registration Date.

~~2.10.2 Where (in accordance with paragraph 2.10.1) a Supply Meter Point is to be Isolated at the request of the Existing Registered User, Transco will so notify the Proposing User as soon as reasonably practicable after the request is submitted. Not Used~~

~~2.10.3 Where the Existing Registered User has requested Transco to carry out, on or after the Proposed Supply Point Registration Date, Isolation of a Supply Meter Point comprised in a Proposed Supply Point for which the Supply Point Confirmation has become effective, the request will be deemed to have been cancelled. Not Used~~

2.10.4 Where a Supply Meter Point comprised in a Proposed Supply Point (for which a Supply Point Confirmation has been submitted) has been Isolated the Supply Point Confirmation may (in accordance with paragraph 2.8.7(a) or 2.9.1) become effective and the Proposing User will be the Registered User of a Supply Point which includes the Isolated Supply Meter Point ~~(and may apply pursuant to Siteworks Terms and Procedures for reconnection thereof).~~

Section G: 3.2 Effect of withdrawal

3.2.1 A Supply Point Withdrawal shall become effective ("**Effective Supply Point Withdrawal**") only where each of the Withdrawing Supply Meter Points ~~either:~~

(a) is comprised in another Supply Point (of which the Registered User may be the Withdrawing User); and/or

(b) has been Isolated in accordance with paragraph 3.43.2.6;

and the date ~~of with effect from which the~~ Effective Supply Point Withdrawal ~~is effective~~ shall be:

(i) in the case of paragraph (a), the Supply Point Registration Date (of such other Supply Point); and

(ii) in the case of paragraph (b), or the later of the date of such Isolation and the date of the Supply Point Withdrawal, or in the case of (a) and (b) the latest of any such date.

3.2.2 For so long as a Supply Point Withdrawal has not become effective in accordance with paragraph 3.2.1, the Withdrawing User shall remain liable for Supply Point Transportation Charges in respect of the Withdrawing Supply Point determined on the basis of the Supply Point Capacity, LDZ Capacity and (where applicable) NTS Exit Capacity held immediately before the submission of the Supply Point Withdrawal (or in the case of an NDM Supply Point Component such capacities as revised with effect from 1st October in any Gas Year in accordance with Section H4 by reference to the new Annual Quantities and End User Categories) and for the purposes of Aggregate NDM Reconciliation the Annual Quantity of the Withdrawing Supply Point will continue to be included for the purposes of Section E 7.2.2.

3.2.3 Not Used

3.2.4 When a Supply Point Withdrawal has become effective in accordance with paragraph 3.2.1, the User shall cease to be the Registered User and the Supply Point (and the Supply Point Registration) shall be cancelled.

3.2.5 A Supply Point Withdrawal in respect of a Supply Point which comprises a Shared Supply Meter Point(s) shall be effective on the 15th Business Day after submission thereof, irrespective of whether any Shared Supply Meter Point has been Isolated, except where all of the Sharing Registered Users submit Supply Point Withdrawals on the same Day, in which case such withdrawals shall become effective only in accordance with paragraph 3.2.1.

3.2.6 ~~Where:~~

~~(i) all of the Sharing Registered Users request Isolation of a Shared Supply Meter Point, or~~

~~(ii) within a period of 15 Business Days before the date on which a request for Isolation was submitted in respect of a Supply Meter Point which was a Shared Supply Meter Point, any of the then Sharing Registered Users submitted a Supply Point Withdrawal,~~

~~the amount payable pursuant to the Isolation Siteworks Agreement will be payable in equal shares by all of the Users who are (or in the case of paragraph (ii), were at the start of the period therein referred to) Sharing Registered Users.~~
Not Used

Section G: 3.4 Isolation: General

3.4.1 For the purposes of the Code and subject to paragraph 3.8:-

~~(a) "Isolation" of a Supply Meter Point means the isolation by Transco of the Supply Meter Point shall mean the amendment ing of the Supply Point Register in accordance with paragraph 3.5.4 further to the performance of actions by the User for the purposes of securing that gas cannot be offtaken from the System at such point, in such manner as Transco may in any case determine; and "Isolate" shall be construed accordingly;~~

(bii) "Re-establish" shall mean the re-setting by Transco of the previously recorded Isolation status of a Supply Meter Point to indicate that gas can be offtaken from the System at such Point and "Re-established" and "Re-establishment" shall each be construed accordingly; and

(c) "T/PR/GT4" is the document relating to the cessation of the flow of gas entitled Sealing of Equipment to Protect against Theft of Gas and Tampering, as published by Transco from time to time.

3.4.2 For the avoidance of doubt and subject to paragraph 3.4.3, where a Supply Meter Point has been Isolated (and unless and until an Effective Supply Point Withdrawal it is reconnected) the person who is or was the Registered User of the Supply Point in which it is or was comprised shall cease to be responsible for gas offtaken from the System at the Supply Meter Point.

3.4.3 In the case of a NDM Supply Meter Point which has been Isolated (and unless and until it is Re-established in accordance with paragraph 3.7 reconnected) NDM Supply Meter Point Demand will cease to be determined in respect of that NDM Supply Meter Point in accordance with Section H2.

3.4.4 Where Isolation is carried out at a Supply Meter Point the Registered User must obtain and provide to Transco a Valid Meter Reading obtained not earlier than the time at which the Isolation was carried out.

3.4.5 Where a Supply Meter Point has been Isolated, it may only be reconnected pursuant to Siteworks in accordance with paragraph 7.

3.4.6 For the avoidance of doubt, isolation of a Supply Meter Point for the purposes of enabling Siteworks to be carried out shall not be Isolation.

Section G: 3.5 Isolation request and Siteworks Agreement

3.5.1 A Registered Supply Meter Point may be Isolated subject to and in accordance with this paragraph 3.5. A User may request Transco to Isolate a Registered Supply Meter Point, subject to and in accordance with this paragraph 3.5.

3.5.2 A User may only request an Isolation where the User has entered into a Siteworks Contract for Isolation ("Isolation Siteworks Agreement") with Transco which is in force at the time both of the User's request and at which the Isolation is carried out. Not Used

3.5.3 The User's request For the purposes of paragraph 3.5.1 the User shall:

(a) provide to Transco a notification complying with the following: must specify:

(i) specify the identity of the User;

(ii) specify the relevant Supply Point Registration Number, and the Supply Meter Point Reference Number of the Supply Meter Point;

(iii) specify the date, not less than 11 Business Days after the User's request is submitted, on which Isolation is requested (which date shall not be binding on Transco) on which gas ceased to flow;

(iv) contain a Valid Meter Reading obtained on the date set out in sub-paragraph (iii) above; such further details (including details of the reason for the Isolation and details of the consumer) as may be required under the Isolation Siteworks Agreement

(v) specify whether the Supply Meter Installation remains connected at the Supply Meter Point;

(b) have complied with paragraph 3.5.6.

3.5.4 ~~Subject to paragraph 3.5.5, within one Day of receipt of a notice complying with paragraph 3.5.3 Transco will amend the Supply Point Register to set the status of the Supply Meter Point to "Isolated" respond to the User's request confirming that the Isolation request has been accepted, and specifying the date, not earlier than and on or as soon as is in the circumstances reasonably practicable after the requested date, on which the Isolation is to be carried out, subject to and in accordance with the Isolation Siteworks Agreement.~~

3.5.5 Where the Supply Meter Point is a Shared Supply Meter Point Transco will not ~~amend the Supply Point Register pursuant to paragraph 3.5.4 unless all Sharing Registered Users warrant that gas flow at all Supply Meter Points has ceased. accept a request for Isolation unless submitted by all the Sharing Registered Users.~~

3.5.6 Where a User ~~requests an Isolation Transco will be entitled to assume that any Legal Requirement or code of practice relating to the cessation of supply to the consumer has been complied with~~ provides a notification in accordance with paragraph 3.5.3 such User shall have taken all reasonable steps to ensure that all work to cease the flow of gas has been carried out by suitably competent personnel using that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person complying with applicable law, recognised industry standards and T/PR/GT4, engaged in the same type of undertaking and Transco will be entitled to assume that the User has complied with such obligation.

3.5.7 ~~Transco will not amend the Supply Point Register pursuant to paragraph 3.5.4 in the event that:-~~

(a) ~~the notification submitted pursuant to paragraph 3.5.3 does not comply with the requirements set out in such paragraph; or~~

(b) ~~the User submitting the notification is not the Registered User for the relevant Supply Meter Point on the Day that the notice is received by Transco. In accordance with paragraph 2.10.3, a User's request for Isolation will be cancelled where the User is or will no longer be the Registered User of the Supply Meter Point on the Day on which the Isolation is to be carried out.~~

3.5.8 A User may cancel a request made by it for Isolation by notice to Transco not later than 12:00 hours on the Day preceding the Day on which the Isolation is to be carried out; provided that Transco will use reasonable endeavours to accept notice of such cancellation given later than such time. Not Used

3.5.9 The terms (as to payment and otherwise) upon which Transco carries out an Isolation will be those of the Isolation Siteworks Agreement (which does not form a part of and is not incorporated into the Code); and accordingly nothing in the Code shall make Transco liable to the User for any failure or delay in carrying out a requested Isolation. Not Used

3.5.10 A Supply Meter Point will be treated as Isolated for the purposes of the Code (until and unless Re-established in accordance with paragraph 3.7 reconnected) with effect from the Day on which the Supply Point Register was amended pursuant to paragraph 3.5.4. Isolation was carried out.

Section G: 3.6 Urgent Isolations Cessation of Flow of Gas

3.6.1 Nothing in the Code shall prevent Transco from ceasing the flow of gas at Isolating any Supply Meter Point ~~at the request of any person~~ where it appears to Transco that it is necessary to do so for the purposes of ensuring safety; and, for the avoidance of doubt, where it does so Transco shall not be in breach of its obligation to make gas available for offtake.

3.6.2 Where pursuant to paragraph 3.6.1 Transco undertakes work to cease the flow of gas at Isolates a Supply Meter Point other than at the request of a person other than the Registered User:

(a) Transco will inform the Registered User ~~of such Isolation~~ as soon as reasonably practicable after undertaking work to cease the flow of gas carrying out the Isolation;

(bii) nothing in the Code shall make the Registered User liable to make any payment to Transco in respect of the undertaking work to cease the flow of gas, carrying out of the Isolation.

Section G: 3.7 Re-establishment

3.7.1 Where a Supply Meter Point has been Isolated in accordance with paragraph 3.5.4 and Transco becomes aware that gas is capable of being offtaken at that time (without further action being taken) from the System at such point then Transco shall notify the Registered User of such fact.

3.7.2 Where a Supply Meter Point has been Isolated and the Registered User becomes aware (whether pursuant to paragraph 3.7.1 or otherwise) that gas is capable of being offtaken at that time (without further action being taken) from the System at such point it shall forthwith notify Transco of such fact and Transco shall Re-establish such Supply Meter Point.

3.7.3 For the avoidance of doubt, in the case of a NDM Supply Meter Point which has been Re-established, NDM Supply Meter Point Demand will be determined in respect of that NDM Supply Meter Point in accordance with Section H2 from the date of such Re-establishment.

3.7.4 Where a Supply Meter Point has been Isolated and is Re-established, and an Effective Supply Point Withdrawal has not occurred and the Supply Meter continues to remain physically connected to the System during the period from the date of Isolation to the date of Re-establishment then where gas was or is being offtaken from the System during such period, each Registered User in respect of the period for which it is or was the Registered User shall be liable for all charges (including without limitation Transportation Charges) associated with such Supply Meter Point as if it had not been so Isolated.

3.7.5 Without prejudice to the generality of paragraph 3.7.4 where a Supply Meter Point has been Isolated and an Effective Supply Point Withdrawal has occurred and the Supply Meter continues to remain physically connected to the System then:

(a) where gas was or is being offtaken at such Supply Meter Point during such period the Relevant Registered User at the time of Isolation shall be liable for all charges (including without limitation Transportation Charges) associated with such Supply Meter Point, as if an Isolation or Effective Supply Point Withdrawal had not occurred;

(b) where gas has not been offtaken (but is capable of being offtaken without further action being taken) at such Supply Meter Point during such period then the Relevant Registered User shall be liable for Capacity Charges and Customer Charges associated with such Supply Meter Point, as if an Isolation or Effective Supply Point Withdrawal had not occurred.

3.7.6 “**Relevant Registered User**” is the Registered User for the period commencing on the date of Isolation and ending on the next Supply Point Registration Date.

3.7.7. Charges payable in accordance with paragraph 3.7.5 shall cease to accrue on the date when a notice has been received by Transco that suitable works have been undertaken to ensure that the Supply Meter Point is no longer capable of offtaking gas (without further action being taken) or until Re-establishment, provided that Transco will be entitled to levy such charges where Transco discovers that suitable works have not been undertaken.

Section G: 3.8 Disablement of Supply

3.8.1 In the event that a Supply Meter Point is Isolated and:

(a) the Supply Meter Installation remains physically connected to the System, the User who is the Registered User at the time of such Isolation shall ensure that upon Effective Supply Point Withdrawal such Supply Meter Installation is physically disconnected from the System within twelve months from the date of such Effective Supply Point Withdrawal; and

(b) in the event that the Supply Meter Installation is not physically disconnected within the period specified in sub paragraph (a) above Transco will (where no supply of gas is required at the Supply Meter Point) take such actions to disable the flow of gas and the User who was the Registered User at the time of Effective Supply Point Withdrawal shall pay Transco's costs (as contained in the Transportation Statement) in respect thereof. therefore (such cost to be in accordance with the Transportation Statement)

~~Section M: 2.6 Meter clamping~~

~~2.6.1 Where the customer control valve of a Supply Meter is clamped, whether by the Registered User, supplier or any other person other than Transco, the Registered User shall so inform Transco promptly upon arranging for or otherwise becoming aware of such clamping.~~

~~2.6.2 Where:~~

~~(i) a Supply Meter is clamped in accordance with paragraph 2.6.1;~~

~~(ii) the Registered User fails to inform Transco of such clamping; and~~

~~(iii) Transco takes any step under paragraph 18 or 19 of the Gas Code in respect of any report to the effect that gas is not flowing to the Supply Point Premises or to appliances at such premise~~

~~the Registered User shall reimburse to Transco the cost and expense incurred by Transco in taking the steps referred to in paragraph (iii) above.~~

~~2.6.3 For the avoidance of doubt the clamping of a Supply Meter shall not be an Isolation (unless carried out by Transco as such).~~

~~Section M: 2.7 Not Used.~~

~~Section M: 3.9 Other non-cyclic meter reading requirements~~

~~3.9.1 The Registered User shall secure that a Valid Meter Reading is obtained and provided to Transco:~~

~~(a) (as required by Section G3.5.3(iv) 4.4) upon the Isolation of any Supply Meter Point in accordance with Section G3.5;~~

~~(b) upon the replacement (whether for examination, inspection, repair, maintenance or exchange or otherwise) of any Supply Meter, in respect of both the replaced and the replacement meter.~~

~~3.9.2 Where (in accordance with Section G3.5) Transco undertakes the Isolation of a Supply Meter Point in a manner which involves Transco having access to the Supply Meter, Transco will be responsible (on behalf of the Registered User) for complying with paragraph 3.9.1(i). Not Used.~~

~~3.9.3 Where (in accordance with paragraph 2.2) Transco undertakes the replacement of a Supply Meter, Transco will be responsible (on behalf of the Registered User) for complying with paragraph 3.9.1(ii). Not Used.~~

Signed for and on behalf of Transco.

Signature:

Chris Train
Director
Support Services

Date:

Gas and Electricity Markets Authority Response:

In accordance with Condition 9 of the Standard Conditions of the Gas Transporters' Licences dated 21st February 1996 I hereby direct Transco that the above proposal (as contained in Modification Report Reference **0675**, version **1.0** dated **23/03/2004**) be made as a modification to the Network Code.

Signed for and on Behalf of the Gas and Electricity Markets Authority.

Signature:

The Network Code is hereby modified with effect from, in accordance with the proposal as set out in this Modification Report, version **1.0**.

Signature:

Process Manager - Network Code
Transco

Date:

Annex

1. Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which The Restrictive Trade Practices Act 1976 ("the RTPA"), had it not been repealed, would apply to this Agreement or such arrangement shall not come into effect:
 - (i) if a copy of the Agreement is not provided to the Gas and Electricity Markets Authority ("the Authority") within 28 days of the date on which the Agreement is made; or
 - (ii) if, within 28 days of the provision of the copy, the Authority gives notice in writing, to the party providing it, that he does not approve the Agreement because it does not satisfy the criterion specified in paragraphs 1(6) or 2(3) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996 ("the Order") as appropriate

provided that if the Authority does not so approve the Agreement then Clause 3 shall apply.

2. If the Authority does so approve this Agreement in accordance with the terms of the Order (whether such approval is actual or deemed by effluxion of time) any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which the RTPA, had it not been repealed, would apply this Agreement or such arrangement shall come into full force and effect on the date of such approval.
3. If the Authority does not approve this Agreement in accordance with the terms of the Order the parties agree to use their best endeavours to discuss with Ofgem any provision (or provisions) contained in this Agreement by virtue of which the RTPA, had it not been repealed, would apply to this Agreement or any arrangement of which this Agreement forms part with a view to modifying such provision (or provisions) as may be necessary to ensure that the Authority would not exercise his right to give notice pursuant to paragraph 1(5)(d)(ii) or 2(2)(b)(ii) of the Order in respect of the Agreement as amended. Such modification having been made, the parties shall provide a copy of the Agreement as modified to the Authority pursuant to Clause 1(i) above for approval in accordance with the terms of the Order.
4. For the purposes of this Clause, "Agreement" includes a variation of or an amendment to an agreement to which any provision of paragraphs 1(1) to (4) in the Schedule to the Order applies.