

**Modification Report**  
**Amendment to UK Link Class 2 (and Class 3) Modifications Timetable**  
**Modification Reference Number 0613**  
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**

This modification to the Network Code would amend the current timetable for issuing and responding to Transco or User System Modifications so that it is more efficient and effective. Both Class 2 and Class 3 modifications would be subject to the same procedures.

**2. Transco's Opinion**

Transco does not believe that this proposal is required. In fact it is concerned that any reduction in the time allowed for Users to submit comments to system change proposals may result in fewer and less well developed responses which could dilute the consultation process to the possible detriment of all parties. However, if the majority of Users consider it beneficial, as indicated in the limited number of responses received, Transco is agreeable to its implementation.

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

The proposer states that implementation "would better facilitate the relevant objective of facilitating competition in gas shipping and supply and the efficient operation of the system". Transco is not clear how this would be achieved.

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

**a) implications for the operation of the System:**

Transco is not aware of any implications for operation of the System.

**b) development and capital cost and operating cost implications:**

Transco is not aware of any further development, capital or operating costs, which would arise from implementation of this Proposal.

**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 intend to recover any development costs from Users.

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

Transco is not aware of any consequences this Proposal would have on price regulation.

**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 affect Transco's contractual risk under the Network Code.

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

Transco is not aware of any development implications for computer systems of Transco and Users.

**7. The implications of implementing the Modification Proposal for Users**

Users would have a reduced period of ten working days to submit comments to Transco on proposed UK Link change proposals.

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

Transco is not aware of any such implications.

**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**

Transco is unaware of any effect on the legislative and regulatory obligations and contractual relationships of Transco and each User and non-Network Code party of implementing the Modification Proposal.

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

Advantages.

- Implementation would create a formal monthly timetable for issuing and responding to Transco or User system modifications.
- UK Link Committee members would be able to take account of Users' non confidential comments on system change proposals, which may facilitate their decision making, however this could be achieved by an amendment to the Committee's terms of reference without the need to make a Network Code modification.

Disadvantages.

- Users would have a reduced period of ten working days to submit comments to Transco on proposed UK Link change proposals, compared to the present fifteen.
- Class 3 Modifications are subject to Transco making a modification proposal in accordance with the Modification Rules, which involves the Modification Panel and this would not necessarily fit in with the set monthly timetable.
- A set monthly timetable would remove the flexibility currently available in the existing process and may result in unnecessary delays in order to comply with it.
- Transco also believes implementation could increase its administrative workload rather than the proposer's claim of reducing it.

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

Six representations were received with respect to this Modification Proposal. Three of these (Scottish & Southern Energy, Scottish Power and Innogy) were supportive, one (Powergen) was not supportive and two respondents (British Gas Trading and London Electricity Group) offered qualified support.

Scottish & Southern Energy (the proposer) consider implementation of the proposal would "...ensure that all outstanding changes can then be reviewed at the monthly UK Link Committee meetings- currently, change proposals are often issued too late to be considered at the next UKLC meeting, and have to be held over to the following month. Clearly this situation serves only to slow down the change process...."

Transco believes this problem will not disappear with the introduction of a fixed timetable as if a change request is not ready on the specified day for issuing proposals it will have to be held back to the next month's specified day.

Innogy notes "Creating a pre-defined monthly timetable for issuing, consulting on and the debating UK Link amendments will serve to add structure and certainty"

Powergen have a number of issues around this proposal and raise the questions "Would all late comments received from shippers/suppliers be ignored if they are received after close of business on D-10?" and "Will there be a defined time in the day when this information should be e-mailed by?"

Transco notes these concerns and would comment that if a strict timetable is to be adhered to then it may not be possible to analyse comments received after 5.00pm on the close out date.

Powergen also illustrate how tight the dates would be in some months.

Transco would reiterate its earlier observation that if a change request is not ready on the specified day for issuing proposals it will have to be held back to the subsequent specified issuing day for the following month's meeting.

LE Group "do have some concern that the opportunity to comment .....could on occasions be too tight and not allow for the appropriate impact assessments to be carried out across the systems or business processes that could be potentially affected"

Powergen conclude "we believe it makes no sense to be slimming down the timetable for responding to modifications, especially when there is so much change going on in the industry at the moment. Equally, when a change has an IT implication, we would like more than 10 days to get together something meaningful."

BGT and Innogy also highlight the reduced consultation period, however Innogy consider "the fact that all industry participants will have a clear understanding in advance as to when any amendments will be issued each month and when responses are required, will we believe give users more opportunity to plan their consideration and response to proposed amendments than is currently the case."

Transco shares the respondents' concerns over a reduction in the time allowed for Users to submit comments to system change proposals and is wary that it may result in fewer and less well developed responses which could dilute the consultation process to the possible detriment of all parties.

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

Transco does not believe that implementation of this Modification Proposal is required to enable Transco to facilitate compliance with safety or other legislation.

**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**

Transco does not believe that implementation of this Modification Proposal is required in respect of any proposed change in the methodology established under Standard Condition 4(5) of the Statement; furnished by Transco under Standard Condition 4(1) of the Licence.

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

Transco is not aware of any programme of works that would be required as a consequence of implementing the Modification Proposal. However Transco would ask the Network Code Committee to vary the terms of reference of the UK Link Committee to instruct them to agree an annual timetable to provide specific dates with regard to when amendments will be issued each month and when responses are required. This timetable would then be published.

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

Should this proposal be implemented Transco would consult with the next following UK Link Committee meeting to agree an implementation timetable.

**16. Recommendation concerning the implementation of the Modification Proposal**

Transco did not initially recommend implementation of this proposal due to concerns over diluting the quality of the consultation process.

However, if the majority of Users consider it beneficial, Transco would be agreeable to it's implementation.

**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 U**

Paragraph 8.4.2 (b)

Amend "15 Business Days" to "10 Business Days"

Paragraph 8.6.1 (a)

Amend "15 Business Days" to "10 Business Days"

Signed for and on behalf of Transco.

Signature:

**Sharon McLaughlin**  
**Customer Services Manager**

**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 **0613**, version **1.0** dated **29/04/2003**) 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.