

**Draft Modification Report**  
**Amendment to Timetable Relating to the Finalisation of End User Categories and Demand Models**  
**Modification Reference Number 0611**  
Version 1.0

This Draft Modification Report is made pursuant to Rule 8.9 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 provide an opportunity for Transco to issue the annual End User Category final proposals at an earlier date which would enable the "application for disapproval" and Ofgem determination deadlines to be brought forward. Currently the timetable is restricted by absolute dates which provides no flexibility if the final proposals are completed by Transco at an earlier date.

It is proposed that if Transco completes the final proposals before 15 August of each year they can be submitted to Ofgem immediately upon completion. Transco and Users would then have an opportunity, as now, for disapproval if necessary within five Business Days of the final proposals being submitted with Ofgem determination being a further five Business Days from that date. The proposed timetable is therefore as follows:

Publication of Transco proposals	by 30 June
Users to submit representations	by 15 July
Transco review representations	by 14 August
Transco submit final proposals	by 15 August
Application for disapproval	within 5 Business Days of submission of final proposals by Transco (but in any event by 22/08)
Ofgem determination	within 10 Business Days of submission of final proposals by Transco (but in any event by 31/08)
Transco completes notification of EUCs and Supply Point AQs	14 September

## **2. Transco's Opinion**

Transco believes that the current timetable relating to the determination of End User Categories (EUCs) could be modified to introduce some flexibility into the process without removing Transco's obligation to carry out certain tasks by certain dates. The existing annual timetable is as follows :

Publication of Transco proposals	by 30 June
Users to submit representations	by 15 July
Transco review representations	by 14 August
Transco submit final proposals	by 15 August
Application for disapproval	by 22 August
Ofgem determination	by 31 August

In previous years, Transco has found itself unduly constrained for time to process the agreed final EUC data to meet the deadline by which all portfolios with proposed Supply Point AQs and EUC tables are issued to Users.

This Modification Proposal seeks to amend the current timetable to provide an opportunity for Transco to issue the annual EUC final proposals at an earlier date, but no later than 15 August of each year, which would enable the application for disapproval and Ofgem determination deadlines to be brought forward. The objectives of this Modification Proposal have been discussed and are supported by the Demand Estimation Sub-committee and the AQ Sub-group of the Supply Point and Billing Workstream.

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

Transco believes that the measures described within this Modification Proposal are consistent with its GT Licence obligations for facilitating the economic and efficient operation of its pipeline system.

**4. The implications for Transco of implementing the Modification Proposal , including  
a) implications for the operation of the System:**

No such implications have been identified.

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

No such cost implications have been identified.

**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**

No changes to Transco's systems have been identified. Transco is not aware of the impact on Users systems.

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

Implementation of this Modification Proposal is not expected to adversely affect Users given that they would have the same amount of time to review Transco's annual EUC Proposals.

**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

The proposed new timetable will provide Transco with additional time to load the new EUC data into the system if it can conclude the consultation period earlier than the date currently stipulated in the Network Code.

Disadvantages

None identified.

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

Representations are now sought.

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

Implementation of this Modification Proposal is not 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**

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

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

No program of works would be required as a consequence of implementing this Modification Proposal.

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

The timetable detailed elsewhere within this Modification Report would be effective from June 2003.

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

Transco recommends that this Modification Proposal be implemented.

**17. Text**

**SECTION H: DEMAND ESTIMATION AND DEMAND FORECASTING**

Amend Paragraph 1.9.2 to read as follows:-

**“1.9 Finalisation of End user Categories and Demand Models.**

- 1.9.1 Not later than 15th August in the preceding Year, Transco will submit to the Director and all Users its final proposals for End User Categories and Demand Models (and corresponding values of the Derived Factors) with such changes as it may on the basis of Users’ representations and consultation under paragraph 1.8 determine appropriate.
- 1.9.2. The End User Categories and Demand Models (and corresponding values of the Derived Factors) applicable to the Gas Year shall be those submitted by Transco under paragraph 1.9.1 unless upon the application of Transco or any User, made not later than the 5th Business Day after the final proposals were submitted, the Director shall within a further five Business Days after such date give condition 7(4) Disapproval to Transco’s applying any particular such End user Category or Demand Model (and corresponding values), in which case Transco will use the End User Categories and End User Category Demand Models applying in the preceding Year to create corresponding values of the Derived Factors and such End User Categories and Derived Factors shall then apply to the Gas Year.

***Representations are now sought in respect of this Draft Report and prior to Transco finalising the Report***

Signed for and on behalf of Transco.

Signature:

**Terry Grove**  
**Service Delivery Manager**

**Support Services**

Date: