

Transco, shippers and interested parties

Your Ref:
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20 October 2003

Dear Colleague

Modification Proposal 0613 'Amendment to UK Link Class 2 (and Class 3) Modifications Timetable'

Background

Currently Transco consults with the UK Link Committee meeting regarding the implementation of class 2 and class 3 UK Link change requests. A number of shippers have expressed concerns about Transco's UK Link change control process. That is, more frequent UK Link updates has led to ad-hoc management of UK Link changes resulting in some changes not being consulted on and considered in synch with Transco's monthly UK Link Committee meeting.

Modification Proposal

The above modification was raised by SSE and seeks to enhance Transco's UK Link change control process by obliging Transco to:

- create a monthly timetable for issuing and responding to Transco or shipper UK link change requests;
- circulate to industry participants (prior to the UK Link Committee meeting) non-confidential responses to change request proposals;
- reduce the change request consultation period from 15 business days to 10 business days.

Views of Respondents

Representations were received from six shippers. Five respondents express support for the modification one respondent does not support its implementation. The majority of supporting shippers suggest that the introduction of a monthly timetable will add structure and certainty to Transco's UK Link change control process.

The shipper who does not support this modification states ' 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 the moment.’ The respondent concludes that more than ten business days is required to evaluate impacts of UK Link changes on systems and business processes.

Ofgem’s Views

Knowing in advance that shippers are due to receive a batch of change request proposals may allow shippers more time to resource accordingly which may in turn improve their ability to plan and review proposed changes.

Moving to a monthly timetable (which is only possible by reducing the consultation period from 15 business days to 10 business days) and circulating non-confidential responses allows shippers to take account of each others comments which should improve the effectiveness of Transco’s consultation process and its UK Link Committee meeting.

A more co-ordinated and structured approach to managing change requests is a prudent measure which may allow shippers to make more informed decisions about system changes and furthers Transco’s relevant objective of operating an economic and efficient pipe-line system.

Ofgem’s Decision

For reasons set out above we have decided to consent to this modification. If you wish to discuss any aspect of this decision, please do not hesitate to contact me using the above details.

Yours sincerely

Roger Morgan

Manager, Gas Infrastructure