

Draft Modification Report
Suspension of the Network Code Operations Reporting Sub-Committee
Modification Reference Number 0550

Version 1.0

This Draft 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

Under current provisions within its Network Code, Transco is required to chair a Network Code Operations Reporting Sub-Committee.

The Network Code Committee has proposed that this Committee is suspended until further notice, since its role has been superceded since the establishment of the Information Exchange Project.

Phase 1 has now been completed. This includes the transfer of NORD reports, currently delivered via SIS, NORM reports, currently delivered via posted hard copy and some selected SIS reports to the Transco website.

There is provision under this project for Transco to delete, create or amend reports published on the website and for shippers or Ofgem to request changes as required.

It has also been agreed that any Information issues are raised under AOB at the Operational Forum.

The Network Code Committee has therefore concluded that it is appropriate to recommend the suspension of future meetings. This recommendation is based on a proviso that this Committee could be reinstated at some future date if it was deemed necessary.

2. Transco's Opinion

Transco supports the principle of this Proposal, but would welcome views on the timing of any suspension. Transco suggests that if the sub-committee is suspended then should the need for it to be reinstated arise, this could be achieved via a direction from the Network Code Committee similar to the provisions set out for the suspension of the Neutrality and Compensation Value Audit sub committee.

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

The proposer has suggested that "this modification proposal would better achieve the relevant objectives in that it would afford more economic operation of Transco's time". Transco believes that avoiding unnecessary costs is consistent with 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:**

Implementation of this Modification Proposal would have no impact upon the operation of the System.

b) development and capital cost and operating cost implications:

There are no development, capital or operating cost implications as a result of implementing this Modification 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 propose any additional cost recovery.

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

Transco has not identified any such consequence.

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

It is not anticipated that there would be a change to the level of contractual risk to Transco as a consequence of implementing this Modification Proposal.

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

No development implications on the computer systems of Transco or on the related computer systems of Users are anticipated.

7. The implications of implementing the Modification Proposal for Users

There are no implications of implementing this Modification Proposal for Users.

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

No implications on the above parties are envisaged as a consequence of implementing this Modification Proposal.

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 consequences on the legislative and regulatory obligations and contractual relationships of Transco and each User and Non-Network Code Party are envisaged as a consequence of implementing this Modification Proposal.

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

Advantages

There would be no need to hold further meetings of this sub-committee, which has been poorly represented and is often inquorate.

Disadvantages

At present the existence of an established sub committee provides an opportunity for information provision and reporting by Transco to be discussed with Users. Suspending the sub-committee would remove this forum.

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 invited.

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 comply with any safety or other legislative requirements.

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 is not aware of any such requirements

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

No modifications to the UK-Link Systems are required and therefore a programme of works will not be required as a result of implementing this Modification Proposal.

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

Transco believes the Proposal could be implemented as soon as required following any Direction from the Authority.

16. Recommendation concerning the implementation of the Modification Proposal

Transco supports the principle of this Proposal but wishes to gauge the views of Users' before making any firm recommendation.

17. Text

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:

Tim Davis
Head of Regulation NT&T

Date: