

**Draft Modification Report**  
**Reduction in notice period for change to Siteworks terms and procedures**  
**Modification Reference Number 0537**

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**

In accordance with G7.2.4(ii), Transco is obliged to provide three months notice of changes to contract terms contained within Siteworks Terms and Procedures. Given that the 'Agreement and General Conditions of Contract for Miscellaneous Meter Works not exceeding 73,200 kWh' and the 'General Conditions of Contract for Discontinuances' fall within these provisions, transitional Modification of the Network Code is required to reduce the notice period to approximately one week.

**2. Transco's Opinion**

The Gas (Standards of Performance) Regulations 2001 were established in November 2001 following lengthy Ofgem consultation. This legislation will now become effective on 1 April 2002.

Transco intends to reflect the standards incumbent on suppliers, contained within the new legislation, in its 'Agreement and General Conditions of Contract for Miscellaneous Meter Works not exceeding 73,200 kWh' and in the 'General Conditions of Contract for Discontinuances'.

Transco is presently consulting with Shippers on the proposed revisions to the above agreements and it is anticipated that this process will be completed by 25 March 2002 following which Transco will give notice as required by the Network Code. As the legislation as described above will be effective from 1 April 2002, there is now insufficient time to allow three months notice and it is Transco's opinion that the Network Code should be modified to permit introduction of these changes on a much shorter notice period.

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

Transco intends to reflect standards incumbent on suppliers, contained within 'The Gas (Standards of Performance) Regulations 2001, in its 'Agreement and General Conditions of Contract for Miscellaneous Meter Works not exceeding 73,200 kWh' and in the 'General Conditions of Contract for Discontinuances', in line with the timescales for implementation of such standards and this necessitates a reduction in the notice period under the Network Code. This reduction in notice period could be argued to better facilitate a consistent Licencing regime when compared to the need to give the full three months notice.

**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:**

Not applicable.

**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**

No contractual risks under the Network Code have been identified.

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

No such implications have been identified.

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

This Modification Proposal identifies a reduced notice period for the introduction of amendments to the 'Agreement and General Conditions of Contract for Miscellaneous Meter Works not exceeding 73,200 kWh' and for amendments to the 'General Conditions of Contract for Discontinuances'. This would enable the standards incumbent on suppliers (as a result of new Regulations) to be reflected in the Agreements mentioned above.

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

This Modification Proposal identifies a reduced notice period for the introduction of amendments to the 'Agreement and General Conditions of Contract for Miscellaneous Meter Works not exceeding 73,200 kWh' and for amendments to 'General Conditions of Contract for Discontinuances'. This would enable the standards incumbent on suppliers (as a result of new Regulations) to be reflected in the Agreements mentioned above.

**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:

Timely notice of revision to Transco's Miscellaneous Meter Works Agreement by the 1 April 2002 would ensure that its Siteworks terms and procedures reflect industry legislation due to be implemented on that date.

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**

Not applicable.

**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**

Implementation of 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 works are required to implement this Modification Proposal.

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

This Modification Proposal can be implemented with immediate effect.

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

Transco recommends that this Modification Proposal be implemented.

## 17. Text

### **Transitional Document, Part II, Paragraph 8**

Add new paragraph 8.4.19 :

" 8.4.19 G7.2.4 In respect of changes to the "Agreement and General Conditions of Contract for Miscellaneous Meter Works not exceeding 73,200 kWh" and the "General Conditions of Contract for Discontinuances", for the purpose of the implementation of revisions associated with the introduction of the Gas (Standards of Performance) Regulations 2001, the requirement in Section G 7.2.4(ii) that not less than 3 months notice be given by Transco shall not apply and Transco shall instead give such notice as far in advance of the date on which the changes contained therein are to be implemented as is reasonably practicable."

***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:

**Steve R Phillips**  
**Director of Shipper Services**

Date: