

Draft Modification Report
Modification Reference Number 0321

Provision of remote access to Supply Point dataloggers by remote users

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:

Transco are required to make available to Registered Users on request, remote access to their DM customers' dataloggers via the Datalogger Bulletin Board (DBB). This service should be available to Registered Users with no more than seven days notice to Transco (MR).

The Registered User will be able to access their DM customers dataloggers via the DBB using a PC and modem. Access to more than three (3) records per meter per day will be on a reasonable endeavours basis. This excludes the 6am read taken by Transco.

The service is ordinarily required by Shippers as it will benefit all Relevant Shippers not just those with DM customers. The costs of Transco providing this service will be recovered through the Transportation formula. However, in the absence of improvements in DM forecasting, Registered Users using this service should pay for the marginal costs of this service, recognising the implications for cost reflectivity and future competition.

Registered Users would undertake to provide this information to relevant customers on request on an equal access and non-discriminatory basis.

2. Transco's opinion:

Transco has established plans for the early introduction of a Bulletin Board Service (BBS), based on a trial datalogger BBS undertaken during 1998 and limited to a small number of shippers. Feedback from this was positive and hence Transco's proposal to launch a new trial to all shippers early in June 99 using an enhanced bulletin board product. Transco does not believe, however, that incorporation of the details of the facility in the Network Code offer any additional benefit to shippers.

Transco has presented its ideas for the new trial to two Network Code Workstreams - SPA/Metering, Energy & Capacity - and to the RGTA Development Workgroup 0312/0313. Initially the service will be set up to enable shippers to obtain regular four hourly consumption updates from all their daily metered (DM) dataloggers. Further work is underway to assess the operational feasibility of enabling shippers to obtain hourly updates throughout the day. It is envisaged that publishing such updates would remove the need for an on-demand facility.

Transco believes that if the service is introduced into the Network Code, its development may be slowed as any changes will be subject to the modification process. The introduction of new information or data services will be more easily achieved by making the BBS available quickly and acting upon users feedback to further enhance and improve the product.

Transco is also concerned about embodying the BBS in the Network Code because Ofgas has indicated that industry workgroups will be set up in the near future to support the unbundling of metering and meter reading from transportation arrangements. This will include a review of the Network Code to identify areas for change. Daily metering provision is an area that will be subject to review and may be removed from the Network Code. Against this background, it does not seem appropriate to be defining new services in the Network Code.

Transco's intention is to offer a simple, non-discriminatory stand-alone contract which offers the flexibility to continue to enhance the BBS with minimum impact on the industry. If the view of the industry is, however, that its recognition in the Network Code is the preferred course of action, Transco recommends that the code contains reference to a separate BBS contract in which a detailed description of the service will be incorporated. Transco would welcome the views of the industry with respect to this approach.

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

Economic operation is facilitated by access to information, which is not improved by defining the BBS in the Network Code.

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

a) implications for the operation of the System:

Providing DM shippers make use of the data available, DM forecasting could improve. This is, however, likely to be the case regardless of whether the service is within or outside the Network Code.

b) development and capital cost and operating cost implications:

All costs associated with the new BBS are detailed in the draft pricing consultation paper which was passed to Ofgas in mid March 99 and subsequently amended in April 99. A copy of this is attached for information.

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:

The attached draft pricing consultation paper outlines Transco's views on how the costs should be recovered.

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

Transco intend to consult on the draft price proposals and treat the income from BBS as formula revenue.

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:**

None identified.

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

The data to be accessed by this service is held on the the datalogger collection system which is not part of the UK- Link Sites and Meters database. Transco proposes to enable shippers to have access to a copy of the data held within that system.

The introduction of the BBS will not require the purchase of special software applications by shippers. To access the system users must, however, have internet access and a standard browser eg. Netscape or Explorer, and a suitable modem.

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

Shippers having non-daily metered (NDM) sites only will have the same rights to recommend change to the BBS by proposing modification to the Network Code as those shippers having daily metered (DM) supply points.

Users will not accrue any additional benefits if the BBS is introduced to the Network Code compared with leaving it freestanding. It is possible that introducing a service in this way would be less flexible than would otherwise be the case.

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

None 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:**

None identified.

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

Advantages:

- Establishes the BBS service under the Network Code as a transportation service.
- Ensures that enhancements are controlled within the established modification process.

Disadvantages:

- If the Network Code were modified, this may be on a short term basis only pending metering and meter reading unbundling.
- Maintaining the service outside the Network Code may enable it to be more flexible and receptive to change.
- Any contractual arrangement for provision and utilisation of the facility will be simplified if the service is maintained outside the Network Code.

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

Not applicable.

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 3(5) of the statement; furnished by Transco under Standard Condition 3(1) of the Licence:

Not applicable.

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

No additional works over and above those already developed or planned are required.

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

Transco does not believe that this Modification Proposal should be implemented. However, legal text can be provided pending the view of the industry with regard to Transco's suggestion contained in section 2 above.

16. Recommendation concerning the implementation of the Modification Proposal:

Transco does not recommend that this Modification Proposal should be implemented.

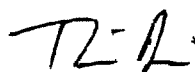
17. Text :

See Section 15 above.

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:

A handwritten signature in black ink, appearing to read 'TZ-L'.

Tim Davis
Manager, Network Code

Date: 7.5.99