

Modification Report

Modification Reference Number 0325

Consolidation of Section G1.6 (AQs)

This 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

It is proposed that Section G1.6 of the Network Code Principal Document be redrafted to reflect the Annual Quantity (AQ) review process that is expected to operate this year. At the moment, the basis for the proposed process exists only in the Transition Document and is date specific, applying only to the review undertaken in 1998.

2. Transco's opinion

Transco's opinion is that this modification should be implemented as soon as practicable following Ofgem's acceptance of this report.

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

In 1998, Modification 0136 introduced an AQ process that simplified the mechanism by which Transco's proposed AQ ("provisional") values could be amended by the shipper. This mechanism allowed the amendment to be processed without resorting to an appeal and also gave shippers more time to review the provisional values than the original Section G1.6 rules allowed. The resulting 1998 review was generally viewed as a considerable improvement over that which took place in 1997. The purpose of this proposal is to enable the 1998 process to become the model for future reviews since the consensual view of the AQ Review Group, (a sub-group of the SPA and Metering Workstream), is that it is more efficient than the original process drafted into the Network Code.

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

a) implications for the operation of the System

It is not anticipated that the introduction of this modification will have any implication for the operation of the system.

b) development and capital cost and operating cost implications

Development costs resulting from changes to UK-Link and associated procedures will be incurred if the proposal is implemented.

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 intend to recover any costs incurred as a consequence of the implementation of this proposal other than those provided for in the Transportation Statement.

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

This proposal does not have any affect on price regulation.

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

Transco believes that this proposal reduces its level of contractual risk since the AQ update process proposed in this report has a number of checks and safeguards incorporated into it to ensure the AQs that go live on 1st October have been reviewed by shippers and revised, as appropriate. This should in turn reduce the number of disputes and queries resulting from their introduction into dependent Network Code processes.

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

IS changes will be required to implement this proposal.

Most of the UK-Link functionality required to implement this proposal was developed for last year's AQ review process. However, some further system modifications will be required to bring the system in line with the changes recommended by the AQ Review Group, following a review of the operation of last year's process. The required system modifications include changes to both functionality and file formats. All necessary file format changes have been circulated to shippers in accordance with the agreed time-scales for such changes.

These changes will impact shippers systems.

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

Shippers will be provided with increased opportunities to review and if necessary revise or correct AQs. This, coupled to simpler, fully automated processes should give greater industry confidence that AQs are relatively free of data related errors and meet the requirements of the Network Code.

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**

Transco is not aware of any implications for any non-Network Code party although the increased period over which AQs can be reviewed means that there is more opportunity for end consumers to become involved in the process. Ultimately, this should result in more cost reflective charges to end consumers.

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**

Transco has not been informed of any such consequences.

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

Advantages

The proposed process provides the industry with more time to review and if necessary amend provisional AQs than the process currently described in the Network Code.

The new process is two stage; the first stage (“amendment phase”) allows the shipper to change the provisional AQ held in a temporary database; the second stage (“appeal phase”) is the original AQ appeal process, presently detailed in the Network Code, which permits the shipper to challenge and, if successful, change the AQ on the site and meters database.

Additional to the process changes above, are provisions which have been included to reduce shipper risk, these are: the ability to appeal an AQ on confirmation has been retained and the period available to shippers to do this has been extended until the end of May; and where a shipper detects an erroneous AQ that gives rise to material discrepancies, it will be able to appeal the AQ. This facility also will be available until the end of May.

Where the shipper requests an amendment to the provisional AQ, each request will be individually validated. Last year, such requests were validated by batch sampling.

Disadvantages

None that Transco is aware of.

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

Representations have been received from the following users:

Aquila Energy, British Gas Trading (“BGT”), Eastern Energy, Enron Direct and Shell Gas Direct.

All the representations submitted approve in principle that the sections of the Network Code relating to AQs and the AQ review process should be redrafted to reflect current business practice. However, almost all of the shippers that submitted representations have qualified their approval with suggested changes to either the process and/or the legal drafting proposed in the Draft Modification Report.

A summary of their comments is detailed below:

- i) Shell and BGT express concern that the parameters for establishing AQ error in paragraph G1.6.13(b)(i) allow significant discrepancies to go unprocessed. Both suggest that the shipper should be able to correct discrepancies that exceed plus or minus a factor of two.

Transco comment

By the time this provision becomes operational, the shipper will have been aware of the provisional AQ for 6 months. Transco believes that the shipper has had adequate opportunity to amend / appeal the AQ during this period. Paragraph G1.6.13(b)(i) is seen as a compromise; it provides a “safety net” for shippers to change erroneous AQs outside the normal AQ appeal period, while at the same time incentivising shippers to have concluded submitting AQ appeals by the end of December. It is not seen as a continuation of the AQ appeal process.

- ii) Shell Gas Direct propose that the modification should give the shipper the opportunity to appeal an AQ when it adopts a new site and meter read history should be made available on transfer.

Transco comment

The opportunity to appeal an AQ on transfer was included in the transitional rules that this modification proposes to overwrite. During the development of these rules it was suggested by shippers that the ability to appeal an AQ on transfer is a useful facility and, consequently, a provision has been included in this drafting, paragraph G1.6.11, that allows such appeals to be submitted up to 31st May.

Access to meter reading history has become a recurring theme in AQ discussions. Extensive debate has culminated in a shipper raising a Modification Proposal (Modification 0355) which, if implemented, would require Transco to transmit meter reading history and meter asset data to the incoming shipper on supply point transfer. The justification for this is that it will assist in the identification of erroneous AQs. Transco does not agree with this view since meter read and asset data alone can not be used in isolation to identify erroneous AQs. In order to resolve this problem Transco is offering to review the base data where, on or after transfer, the shipper can demonstrate a discrepancy between the site consumption and the calculated AQ. It is believed that such a targeted approach to resolving erroneous AQs, left uncorrected by the previous shipper, is a more cost effective solution than the wholesale download of large amounts of data on supply point transfer.

- iii) BGT make numerous references in their representation to the use of word “variable” in the drafting and request that it is cross referenced to Section H1.2.2

Transco comment

Transco has reviewed the incidence of the word “variable” in the drafting and as a result a number of deletions and minor changes have been made.

- iv) Aquila Energy state that they have concerns about the validation procedures used to manage this process if it were to be applied to a full domestic AQ review. It believes that this workload could be avoided if only “aggregate AQs” are reviewed.

Transco comment

The Network Code is written on the presumption that all meter point AQs will be reviewed every year. AQ2000 is the forum to debate whether this is the most cost effective way of undertaking this exercise. It is proposed to continue these meetings to establish industry requirements in this regard.

- v) BGT’s comments relating to paragraphs G1.6.7 and G1.6.14 have resulted in text changes. With regard to paragraph G1.6.7, BGT’s concern is that the proposed drafting is not clear in establishing which provisional AQ, the User’s or Transco’s, becomes the AQ. Paragraph G1.6.14 contained a typo error.
- vi) BGT and Enron enquire why the words “in a format specified by Transco” appear in paragraph G1.6.13(c)(ii).

Transco comment

This paragraph deals with AQ appeals resulting from changes to on-site gas burning equipment. The format is specified since the transaction is paper based and requires explicit detail of equipment installed.

- vii) Eastern propose that the mechanism to deal with Condition 35 sites is more closely aligned to the AQ appeal process.

Transco comment.

Transco accepts that this should be the case and the drafting has been amended accordingly.

- viii) Enron point out that the drafting does not make reference to individual meter point validation during the amendment phase. It also expresses some concern about the use of certain phrases, such as “substantially fails to satisfy, substantial evidence, reasonably satisfied and material error”.

Transco comment

Both the concept and reference to batch validation has been removed from Network Code. Transco believes that the drafting adequately reflects that amendments will be individually validated and there is no need to explicitly state this fact. Transco believes that proposed drafting is sufficiently objective and can be applied rigorously to the process.

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

This modification is not required 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 3(5) of the statement; furnished by Transco under Standard Condition 3(1) of the Licence

This modification is not proposed as a result of changes to the methodology established under Standard Condition 3(5).

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

System enhancements and new procedures are being developed in parallel with this proposal. Transco has initiated a number of familiarisation workshops and training sessions to ensure shippers can operate under the new rules as soon as they are implemented.

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

This modification can be effected immediately after approval since the necessary system changes are in the advanced stages of development. Consequently, it is not expected that implementation will need to be delayed for IS reasons. None of submitted representations cite system changes as a reason for delaying implementation

16. Recommendation concerning the implementation of the Modification Proposal

Transco recommends that this modification proposal should be implemented as soon as practicable after the date of this report.

17. **Restrictive Trade Practices Act**

If implemented this proposal will constitute an amendment to the Network Code. Accordingly, the proposal is subject to the Suspense Clause set out in the attached Annex.

18. **Transco's Proposal**

This Modification Report contains Transco's proposal to modify the Network Code and Transco now seeks direction from the Director General in accordance with this report.

19. **Text**

PRINCIPAL DOCUMENT

SECTION G

Delete G1.6

G1.6 shall read:

1.6 **Annual Quantity**

For the purposes of this paragraph 1.6:

- 1.6.1 (a) the “**relevant Gas Year**” is the Gas Year in which the Annual Quantity of a Supply Meter Point is to apply.
- (b) the “**preceding Gas Year**” is the Gas Year ending at the start of the relevant Gas Year.
- (c) the “**AQ Review Date**” is a date which Transco determines but shall in any event be no later than the 31st May in the preceding Gas Year.

- (d) the **“User Provisional Annual Quantity”** is the Registered User’s determination of what the Provisional Annual Quantity in respect of a Supply Meter Point should be .

1.6.2 Calculation of Provisional Annual Quantity

For each relevant Gas Year no later than the AQ Review Date Transco shall determine the Provisional Annual Quantity in respect of each Supply Meter Point. The **“Provisional Annual Quantity”** shall be either:

- (a) in respect of a NDM Supply Meter Point which has been Isolated at any time during the Relevant Metered Period or for a DM Supply Meter Point which has been Isolated at any time during the period of 12 months ending on the AQ Review Date the Annual Quantity applicable for the preceding Gas Year; or
- (b) in respect of a DM Supply Meter Point, where paragraph (a) does not apply, where there are Supply Meter Point Daily Quantities for each Day in the period of 12 months ending on the AQ Review Date, the sum of such Supply Meter Point Daily Quantities; or
- (c) in respect of an NDM Supply Meter Point where paragraph (a) does not apply or where Section H3.2.4 does not apply, the quantity assumed to be offtaken in a period of 12 months, determined in accordance with Section H3; or
- (d) in respect of a Supply Meter Point where paragraphs (a), (b) and (c) do not apply, the Annual Quantity applicable for the Preceding Year unless the Supply Meter Point is a New Supply Meter Point in which case the Provisional Annual Quantity shall be the estimated quantity provided by the first Registered User in accordance with paragraph 7.3.6

1.6.3 Transco shall no later than 31st May in the preceding Gas Year for Smaller Supply Meter Points and 30th June in the preceding Gas Year for Larger Supply Meter Points in respect of each Supply Meter Point notify to the Registered User the Provisional Annual Quantity in respect of the relevant Gas Year and supporting details including:

- (a) the Supply Meter Point Reference Number; and
- (b) where available, the Meter Readings used by Transco to determine the Provisional Annual Quantity.

1.6.4 Amendment of Provisional Annual Quantity

Following the notification of the Provisional Annual Quantity the Registered User may, not later than 13th August in the preceding Gas Year notify Transco that it considers that the Provisional Annual Quantity does not satisfy the requirement in paragraph 1.6.6.

1.6.5 When submitting a notification pursuant to paragraph 1.6.4, the Registered User:

- (a) shall specify, evidence as required by Transco including:
 - (i) the Supply Meter Point Reference Number; and
 - (ii) two Meter Readings in accordance with Section H3; and
 - (iii) where there has been one or more meter exchanges at the Supply Meter Point, two Meter Readings for each meter exchange which falls within the period between the Meter Read Dates of the two Meter Readings in paragraph (a) (ii).
 - (iv) the User Provisional Annual Quantity;

- (b) where the Supply Meter Point has a Provisional Annual Quantity of greater than 293,000 kWh (10,000 therms), may specify (but shall not be required to specify) in addition to the Meter Readings in paragraph (a) (ii):
- (i) two Meter Readings, for which one of the Meter Read Dates falls within a period from 1st November to 31st December of the preceding Gas Year and the other Meter Read Date falls within a period from 1st March to 30th April of the preceding Gas Year; and
 - (ii) where there has been one or more meter exchanges at the Supply Meter Point, two Meter Readings for each meter exchange which falls within the period between the Meter Read Dates of the two Meter Readings in paragraph (b) (i) and;
 - (iii) an estimate of the quantity offtaken derived from the two Meter Readings in paragraph (b) (i).

If the Registered User fails to comply with this paragraph then the notification pursuant to paragraph 1.6.4 will be rejected.

1.6.6 The requirement referred to in paragraph 1.6.4 is that the Provisional Annual Quantity, User Provisional Annual Quantity or Annual Quantity of a Supply Meter Point should represent reasonable assumption(s) as to the quantity offtaken (or, in the case of a New Supply Meter Point or a Supply Meter Point notified to Transco under paragraph 1.6.13 (a) (ii), which would have been offtaken) from the System in the period of 12 months by reference to which the Provisional Annual Quantity, User Provisional Annual Quantity and the Annual Quantity is determined. The variable that determines the End User Category of the Supply Point should reflect reasonable assumptions as to the quantity offtaken from the System during the period from the 1st December to 31st March in the preceding Gas Year.

1.6.7 The “**Annual Quantity**” of a Supply Meter Point shall be either:

(a) where following a notification under paragraph 1.6.4 Transco considers that the requirement in paragraph 1.6.6 is satisfied the User Provisional Annual Quantity; or

(b) where paragraph (a) does not apply, the Provisional Annual Quantity.

1.6.8 The “**Annual Quantity**” of a Supply Point or a Supply Point Component is the sum of the Annual Quantities for each Supply Meter Point comprised in that Supply Point or Supply Point Component.

1.6.9 Subject to paragraph 1.6.2, where a DM Supply Meter Point becomes an NDM Supply Meter Point or an NDM Supply Meter Point becomes a DM Supply Meter Point the Annual Quantity of the Supply Meter Point shall not be affected by a change in its status to NDM or DM.

1.6.10 Subject to paragraph 1.6.2, where a Supply Meter Point is Isolated the Annual Quantity for that Supply Meter Point shall remain unchanged.

1.6.11 Where a Supply Point Confirmation made in respect of a Larger Supply Point becomes or will become effective not earlier than 31st December of the relevant Gas Year or later than 31st May in the relevant Gas Year, the Proposing User may, not later than 23 Business Days after the Supply Point Registration Date nor more than 7 Business Days earlier, notify Transco that the Proposing User considers the Annual Quantity of a Supply Meter Point or (as the case may be) variable that determines the End User Category of the Supply Point (pursuant to Section H 1.2), comprised in the Proposed Supply Point fails to satisfy the requirement in paragraph 1.6.6 and shall have the right to appeal the Annual Quantity under paragraph 1.6.13 (a) (i).

1.6.12 Transco shall not later than 14th September in the preceding Gas Year notify to the Registered User the Annual Quantity for each Supply Meter Point for the relevant Gas Year and the applicable End User Category (where appropriate) in respect of each Supply Point.

1.6.13 Appeal Process

Where following the notification of the Annual Quantity further to paragraph 1.6.12:

- (a) in respect of any Larger Supply Meter Point, the Registered User may not later than 31st December of the relevant Gas Year (or in the case of Larger Supply Meter Points under paragraph 1.6.11, 23 Business Days after the Supply Point Registration Date) notify Transco that the Registered User considers that the Annual Quantity of that Supply Meter Point substantially fails to satisfy the requirement in paragraph 1.6.6. either:
 - (i) on the basis of substantial evidence as to the actual consumption of gas; or
 - (ii) because of a change in the Consumer's Plant which results in a change in the basis on which gas is consumed.

- (b) Notwithstanding the Registered User's right to appeal in paragraph (a), in respect of any Larger Supply Meter Point, the Registered User may not later than 31st May in the relevant Gas Year notify Transco that the Registered User considers that the Annual Quantity of a Supply Meter Point substantially fails to satisfy the requirement in paragraph 1.6.6 provided that the Registered User may only so notify Transco in the case of:
 - (i) a Larger Supply Meter Point where the Registered User's reasonable estimate of the Annual Quantity, is equal to or less than 25% of the Annual Quantity or is equal to or greater than 400% of the Annual Quantity; and
 - (ii) a Smaller Supply Meter Point, where the User considers that it should be a Larger Supply Meter Point.

- (c) where a Registered User so notifies Transco:
- (i) pursuant to paragraph (a) (i) or paragraph (b) and the Registered User shall with such notice provide to Transco details as set out in paragraph 1.6.5 together with the Registered User's reasons or evidence for its view and a reasonable estimate of the quantity or (as the case may be) value which the Registered User considers should be the Annual Quantity or such variable of such Supply Meter Point;
 - (ii) pursuant to paragraph (a) (ii) the Registered User shall with such notice provide to Transco in a format specified by Transco details of the Registered User's reasons or evidence for its view and a reasonable estimate of the quantity or (as the case may be) value which the Registered User considers should be the Annual Quantity or such variable of such Supply Meter Point;
- (d) Transco will consider the details provided by the Registered User under paragraph (c) above, and where it is reasonably satisfied that the Annual Quantity or such variable notified to the Registered User pursuant to paragraph 1.6.12 substantially fails to satisfy the requirement in paragraph 1.6.6 and that estimate of the Annual Quantity provided by the Registered User satisfies the requirement in paragraph 1.6.6, then Transco shall substitute the Annual Quantity with that estimate of the Annual Quantity Subject to 1.6.15 or (as the case may be) variable for the relevant Gas Year.

1.6.14 Where Transco agrees to revise the Annual Quantity or End User Category under paragraph 1.6.13 (d) or paragraph 1.6.17:

- (a) the Registered User may submit a Supply Point Reconfirmation (in accordance with paragraph 2.2.5) in respect of the relevant Supply Point on the basis of the revised Annual Quantity or End User Category;

- (b) with effect from the Supply Point Registration Date in respect of such Supply Point Reconfirmation, Supply Point Transportation Charges, UDQOs and Energy Balancing Charges (so far as to be determined by reference to or directly or indirectly a function of Annual Quantity or End User Category) shall be determined by reference to the revised Annual Quantity or End User Category;
- (c) no adjustment, revision or redetermination in respect of any such Supply Point Transportation Charge, UDQO and Energy Balancing Charge in respect of or accruing in respect of any Day before the Supply Point Registration Date will be made, it being agreed that such amounts and charges will be determined (and, in the case of charges, payable) by reference to the Annual Quantity and End User Category notified by Transco pursuant to the foregoing provisions of this paragraph 1.6 unless and until any revision is made pursuant to paragraph (a).

1.6.15 Where, Transco notifies any Registered User of that Supply Meter Point in the relevant Gas Year that a material error has been made in the calculation of any such Annual Quantities or any variables, Transco and the User concerned will discuss in good faith the manner in which and time at which such error may be corrected, having regard in particular to the need to ensure that the Registered User continues to enjoy the benefit (in relation to the corrected Annual Quantity) of this paragraph 1.6.

1.6.16 A User which is the Registered User of a Smaller Supply Meter Point, in relation to which the Supply Point Premises are premises in respect of which the conditions of Condition 35 of the Supplier's Licence are satisfied, may make an election for the purposes of this paragraph by submitting to Transco at any time a notice of such election.

1.6.17 Where a Registered User makes an election pursuant to paragraph 1.6.16, the Supply Meter Point shall be a Larger Supply Meter Point and Transco shall agree to revise the Annual Quantity pursuant to paragraph 1.6.14.

SECTION H3

Delete H3.1.1 to H3.1.4

3.1.1 shall read:

3.1.1 Subject to paragraphs 3.1.2 and 3.1.3, the Annual Quantity or the Provisional Annual Quantity of an NDM Supply Meter Point for each Gas Year shall be determined (on the basis of a standard 365 Day year) by seasonal normal adjustment of the metered quantity for a period ending before such Gas Year in accordance with this paragraph 3.

3.1.2 shall read:

3.1.2 In the circumstances in paragraph 3.2.4 the Annual Quantity or the Provisional Annual Quantity of the NDM Supply Meter Point for a Gas Year shall be that applicable for the Preceding Year.

3.1.3 shall read:

3.1.3 For the Gas Year in which a New Supply Meter Point is established its Provisional Annual Quantity shall be the quantity specified by the relevant User in accordance with Section G7.3.6 .

3.1.4 shall read:

3.1.4 Upon annual determination thereof in accordance with this paragraph 3, the Annual Quantity of an NDM Supply Meter Point will be notified to the Registered User in accordance with Section G 1.6.12.

TRANSITIONAL DOCUMENT PART II

Delete Sections 7.6 to 7.14

Delete Sections 8.4.6 to 8.4.10

Delete Section 8.15.3

Delete Section 8.5 and replace with:

8.5 H3.2.3 Until Transco determines but in any event no later than the 2nd March 2001, for the purposes of a redetermination in accordance with Section H3, Transco shall not be required to take account of any Valid Meter Reading for which the Meter Read Date is earlier than 2nd March 1996.

Signed for and on behalf of Transco.

Signature:



Tim Davis
Manager, Network Code

Date: 2/9/99

Director General of Gas Supply Response:

In accordance with Condition 7 (10) (b) of the Standard Conditions of Public Gas Transporters' Licences dated 21st February 1996 I hereby direct Transco that the above proposal (as contained in Modification Report Reference 0325, version 1.0 dated 31/08/1999 be made as a modification to the Network Code.

Signed for and on behalf of the Director General of Gas Supply.

Signature:

Director of Transportation Regulation

Date:

The Network Code is hereby modified, with effect from _____, in accordance with the proposal as set out in this Modification Report, version 1.0.

Signature:

Process Manager - Network Code
Transco

Date:

ANNEX

Restrictive Trade Practices Act - Suspense Clause

For the purposes of the Restrictive Trade Practices Act 1976, this document forms part of the Agreement relating to the Network Code which has been exempted from the Act pursuant to the provisions of the Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996. Additional information inserted into the document since the previous version constitutes a variation of the Agreement and as such, this document must contain the following suspense clause.

1. Suspense Clause

1.1 Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect:

- (i) if a copy of the Agreement is not provided to the Director General of Gas Supply (the "Director") within 28 days of the date on which the Agreement is made; or
- (ii) if, within 28 days of the provision of the copy, the Director gives notice in writing, to the party providing it, that he does not approve the Agreement because it does not satisfy the criterion specified in paragraph 2(3) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996.

provided that if the Director does not so approve the Agreement then Clause 1.2 shall apply.

1.2 Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect until the day following the date on which particulars of this Agreement and of any such arrangement have been furnished to the Office of Fair Trading under Section 24 of the Act (or on such later date as may be provided for in relation to any such provision) and the parties hereto agree to furnish such particulars within three months of the date of this Agreement.