

**Modification Report**  
**Provision and Maintenance of Large Firm Supply Point Emergency Contact**  
**Information by the Gas Transporter**  
**Modification Reference Number 0007(0728)**

Version 2.0

This Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 9.6.

**1. The Modification Proposal**

To place the management of Large Firm Emergency Contact Information on the relevant Gas Transporter.

For the avoidance of doubt Users would still remain responsible for the initial provision of this data as part of the Change of Supplier process and would retain overall responsibility for satisfying the obligation.

Note: The Modification Panel directed that this Proposal 'proceed to consultation' on 21 April 2005. Transco subsequently compiled the Draft Modification Report, which was issued to the industry seeking representation on 29 April 2005. This Final Modification Report has been compiled by the Subject Matter Expert in accordance with Joint Governance Arrangements effective from 1 May 2005.

**2. Extent to which implementation of the proposed modification would better facilitate the relevant objectives**

In the Draft Modification Report, Transco stated that it did not believe that this Modification Proposal facilitates its GT Licence 'code relevant objectives' as it believes that there is no evidence that if accountabilities were changed there would be an improvement in performance. Transco stated that the Gas Advisory Task Group (GATG) proposals in respect of making improvements to the operation of the current regime have not been afforded the opportunity to take effect. Tests of the emergency contact process have shown that there is a range of performance across shippers. Whilst the industry average is poor, some individual organisations are achieving a performance of circa 80%. Transco expressed the opinion that this demonstrates that the existing process can work, subject to the appropriate best practice being applied and relevant education being delivered.

A number of other Users that provided representations also believed that the Proposal would not deliver the improvements anticipated by the proposer and alternatively advocated optimisation of performance in line with current procedures. The proposer, along with a number of other Users that provided representations believed that the Proposal would realise improvements to the efficiency and effectiveness of the process achieved by a coordinated and centralised approach. One User supporting implementation believed that the proposal would facilitate the GT Licence 'relevant objective' of '*the coordinated, efficient and economical operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters*'.

**3. The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation**

The proposer expressed a view that it was timely to review the arrangements pertinent to Emergency Contact information in light of the continued unbundling of UK Gas markets. The proposer identifies that the robustness of the Contact information may prove critical in maintaining supplies to end consumers.

**4. The implications for Transporters and each Transporter of implementing the Modification Proposal , including**

**a) implications for operation of the System:**

In the Draft Modification Report, Transco stated that it is able to maintain a safe system regardless of the performance of the emergency contact process. Transco has stated that arrangements are in place to allow it to physically secure the network (forced isolation from as low a level as site by site or securing at higher level within the network). Transco expressed the view that the emergency contact process is present to ensure all industry parties work together to achieve reduction in load in an efficient manner, with as minimal disruption to end consumers as possible.

**b) development and capital cost and operating cost implications:**

In the Draft Modification Report, Transco stated that it believed implementation would incur costs including the following:

- Cost of developing/enhancing relevant systems to capture and maintain consumer data.
- Costs associated with installing a process for validating contact data.
- Costs associated with contacting and establishing a relationship with individual consumers.

Transco clarified that that costs were not quantified but could be expected to be significant.

The proposer has challenged Transco's expectation of significant costs and stated that it would welcome an independent assessment of such.

**c) extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:**

In the Draft Modification Report, Transco noted that the Modification Proposal did not identify how Transporters would be financially compensated for procuring and maintaining data on behalf of Users.

However, a number of User representations suggested that Transporters could recover costs via transportation charges and that this could be factored into the appropriate price control.

This would not however be effective under the existing price control.

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

In the event that it was deemed appropriate for Transporters to recover any costs for the maintenance service (advocated by the Proposal) via transportation or other charging, this may require consideration of the appropriate price control.

**5. The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal**

In the Draft Modification Report, Transco stated that it believed Transporters' contractual risk may be increased by implementation of this Modification Proposal. Transco stated that Transporters do not presently have a contractual relationship with consumers. Whilst this Proposal does not contemplate such a relationship (Transporters would be operating as an 'agent' of shippers), Transco expressed the view that Transporters would be assuming responsibilities on behalf of Users while being reliant on Users ensuring that robust contractual arrangements were in place. Transco noted that such arrangements would be necessary to ensure that Transporters were able to procure the information it would require to meet its Code obligations.

Alternatively, the proposer believes that Transporters would not be required to enter into any contractual relationship with end consumers and thus there would be no consequential change to Transporters contractual risk.

**6. The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users**

Changes to the UK-Link system would be required to enable Transporters to maintain Emergency Contact Information. This would be distinct from the existing functionality allowing Users to provide Emergency Contact Information data as part of the Supply Point Administration process to change the Registered User for a Supply Point.

**7. The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk**

Users would need to ensure that relevant provisions were incorporated and maintained as a function of the supply contract. Users would remain responsible for the procurement of emergency contact data upon first registration or at transfer of User 'ownership'. Users may encounter a degree of contractual risk given that a third party (the Transporter) will be performing a maintenance function in relation to the Emergency Contact Information.

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

Consumers would be required to provide Emergency Contact Information to Suppliers/Users where the Registered User changes and on an ongoing basis to Transporters where there is no change to Registered User.

In the Draft Modification Report, Transco stated that it believed implementation of this Modification Proposal could lead to duplication and potentially greater levels of error in the contact data held by different parties as. Another User that submitted a representation supported this view believing that the Proposal would add a degree of complexity and end consumer uncertainty in respect of the responsibility for the gathering of the Emergency Contact Information.

The proposer believes that as Emergency Contact Information would be held and managed centrally this is unlikely to result in greater levels of error. Other Users that submitted representations advocated the benefit of centralisation as being the most efficient and effective means of procuring the data.

**9. Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal**

The proposer states that nothing in the proposal seeks to change any User or Transporter legislative or licence obligations whilst other Users submitting representations believed that the Transporter undertaking such a role facilitates its licence obligation to operate a safe network.

In the Draft Modification Report Transco stated that its view is that the following legislative and licence conditions set out the suppliers and shippers central role in the provision to transporters of 'emergency contact' information. Transco expressed an opinion that the measures identified within this Modification Proposal are not consistent with these obligations.

Statute

Gas Safety (Management) Regulations 1996 (GS(M)R):

GS(M)R Regulation 6 – Co-operation

‘Every person to whom this paragraph applies shall co-operate so far as is necessary with a person conveying gas in a network and with a network emergency coordinator to enable them to comply with the provisions of these Regulations’

‘... applies to— the holder of a licence issued under section 7A of the Gas Act 1986...’

### GS(M)R Schedule 1

Transco’s Safety Case currently defines the methods by which Transco facilitates the meeting of the above-defined obligations. Transporters are required to specifically state the arrangements in place to discontinue supply to consumers within their safety cases under GS(M)R Schedule 1 item 20 which states: 'Without Prejudice to paragraph 18.....particulars of the procedures that the duty holder has established to discontinue supply safely to consumers, when it is known that there is insufficient gas to satisfy demand'. Changes to this document as would be required should this Modification Proposal be implemented would require approval by the Health and Safety Executive.

### Licence

Suppliers Licence – Condition 14(2) & (3) (Security and Emergency arrangements):

'the Licensee shall use best endeavors to comply with all requests made by the relevant transporter.....for the purpose of.....securing the safety of the pipe-line system or the safe conveyance of gas.....'

Supply contract for 'non-domestic' customers shall include terms that ‘for the duration of a pipe-line system emergency.....’ .....‘the licensee is entitled at the request of the relevant transporter or shipper to discontinue the supply of gas to the premises’.

Suppliers Licence – Condition 16(1)(a) (Exchange of information.....):

‘.....the licensee shall provide information reasonably requested by a relevant transporter.....for the purpose of enabling the transporter to fulfill its licence obligations to draw up plans for the safe operation.....of its pipe-line system’.

Shippers Licence – Condition 5 (Obligations as Respects Emergencies etc).

Also contains ‘requests by the transporter’ provisions.

A User that submitted a representation highlighted the potential requirement for Transporters to seek changes to licences and Safety Cases to enable compliance with the requirements of the Proposal.

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

The following represents points raised by parties submitting representations to this proposal though not all parties were in agreement with such. Individual viewpoints are summarised in section 11 of the report.

Advantages:

- The Proposal will improve the data quality in respect of Emergency Contact Information.
- The Proposal will optimise efficiency in the collection of the Emergency Contact Information.
- Benefits can be realised for the forthcoming winter 2005/06.

Disadvantages:

- The Proposal is not consistent with the current provisions of the Supplier and Shipper Licences and the Gas Safety (Management) Regulations (GS(M)R).
- There is no demonstrable likelihood of the accuracy of the data held by Transporters being improved by implementation of this Modification Proposal.
- The proposal increases the complexity of relationships and may result in a lack of clarity regarding accountability and responsibility.

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

Nine representations (from the following) were received with respect to this Modification Proposal. Four parties opposed implementation, four supported implementation and one party offered qualified support.

Scottish & Southern Energy	Oppose
Transco	Oppose
British Gas Trading	Oppose
Npower	Oppose
BP Gas	Support
E.ON UK	Support
Total Gas & Power	Support
Shell Gas Direct	Support
EdF Energy	Qualified Support

Representations covered a number of common themes, namely

- a) Cost,
- b) Efficiency/best practice,
- c) Consumer relationship,
- d) Relevant objectives,
- e) Regulatory,
- f) Safety/Security of Supply,

- g) Gas Advisory Task Group (GATG)
- h) Remedies (Users and Transporters)

The following comments were made in respect of the common themes:

**a) Cost**

Shell Gas Direct (SGD) stated that it would *“conclude that NGT's intention is to get shippers to pay for this ... as an excluded service. We see this as a very inefficient approach the costs of which will only add to the costs, ultimately to be borne by consumers”*. It further commented that it would be appropriate for Users to *“pay the transporters for the service through transportation charges. Ofgem should be willing to ensure funding for this service as it clearly would be to the benefit of consumers; Transco should be able to recover the costs of this service from shippers.”*

E.ON UK (EON) believed that *“Transco carry provisions within their price control for customer services and this could easily be incorporated. If not...then there is nothing to stop...their price control to be re-opened.”*

Total Gas and Power (TGP) commented that *“any database that the transporters maintain will ultimately be funded by Users via the price controls and so there will be a commercial incentive on the transporters to maintain an efficient and cost-effective service.”*

BP Gas (BPG) recognised that from a Transco perspective *“cost recovery may be an issue for them. BP recognise this concern and are confident that a solution can be found if this is the key “stumbling block” for Transco”* and added that it *“would challenge the expectation of significant costs, but would be happy for an independent assessment to be carried out.”*

Scottish & Southern Energy (SSE) believed that implementation of the proposal *“would also lead to additional cost and uncertainty associated with:-*

- *new business processes for transporters and customers*
- *lack of clarity regarding accountability and responsibility*
- *between Transporters and Shippers / Suppliers new transporter systems”*

and would also *“introduce additional costs in terms of systems and business processes for all parties.”*

Npower (NPO) expressed reservations stating *“we have not seen any costings... To be able to support this proposal we would require full costings for development, testing and implementation of this change.”*

Transco commented that the *“Proposal does not identify how Transco would be financially compensated for procuring and maintaining data on behalf of Users”* adding that *“costs are not quantified but could be expected to be significant.”*

EDF Energy (EDF) highlighted that the “*costs of this may outweigh the benefits.*” and believed that “*further analysis is required in terms of...Funding of the service.*”

**b) Efficiency and Best Practice**

SGD believed that “*this approach would ensure the most efficient and effective means of collecting and maintaining contact information.*” and added “*What is needed for emergency contact details is a central point of administration. It appears entirely logical for this to be administered by the gas transporters.*”

EON stated that it did “*not agree that that proposal would lead to duplication and greater levels of error .. The proposal would, in fact, add clarity in that the database...would be the 'Master' for the industry.*”

TGP commented that “*The proposer indicates that the supplier would still be required by its licence obligation to provide the information ... The transporters' role would be of management...ensuring that a historic trail for each site would be maintained .. The transporters would therefore not be required to duplicate User's efforts, but to complement them where required*”. It added “*leading industry performers are only collating 80% of the required information ... TGP therefore disagrees that the modification is premature and...believes that the modification proposed is the most effective route.*”

BP expressed a view that “*The requirement for several parties to collect, collate, validate and supply information is inefficient ...and does not allow for cost benefits arising from economies of scale that a centralised process would deliver*” adding that the “*concerns relate mainly to Transco's surprising reluctance to embrace the improvements that a centralised approach...all the more surprising since Transco have adopted this approach to a number of their existing operations.*” BP stated that “*with the continuing “unbundling” of the UK Gas Markets ...[and] imminent disposal of a number of Transco Networks it is... timely to address the future maintenance of E[mergency] C[ontact] I[nformation].*” BP believes that “*operating a centralised Supply Point Administration Service and Joint Governance functions, has similarities with this modification proposal.*”

NPO commented “*by setting up a centralised body...at this time will not resolve the...issues or reduce the poor performance level.*” believing that “*some Users are managing their portfolios well. We believe that via the GTAG lessons can be still learnt and improvements made.*” NPO expressed a view that “*it isn't practically achievable to implement this modification for Winter 05/06.*”

SSE suggested that “*0728 is highly unlikely to improve the provision of data from large firm supply point emergency contacts (compared with the existing arrangements)*” believing that it “*would introduce additional complexity which could result in a deterioration in performance*” It added “*Some parties have performed well, and this proves that it is possible to achieve...high performance levels...*” It stated a belief that “*some Shippers and Suppliers have managed this relationship effectively. It would seem that this may lay at the heart of the problem with performance...some Shippers and Suppliers adopt a more hands-*



*on supportive, inclusive relationship between themselves and their customers...Other Shippers and Suppliers seem to adopt a far more 'relaxed' attitude.” SSE suggested that the “focus of the industry should be on the worst performers ...[who] should be on looking at those Shippers and Suppliers who have performed well ... to see what lessons could be learnt...This is both a much simpler and more efficient solution at this stage.” SSE concluded by stating “we do not agree... that Shippers and Suppliers should have difficulty providing emergency contact information (as clearly some Shippers and Suppliers can provide this information efficiently).”*

Transco commented *“Whilst the industry average is poor, some individual organisations are achieving a performance of circa 80%...this demonstrates... existing process can work, subject to the appropriate best practice being applied and relevant education being delivered.”* adding that it believed there was no *“evidence to suggest that if accountabilities were changed, performance would improve.”* Transco commented, *“Implementation...could lead to duplication and potentially greater levels of error in the contact data held by different parties.”*

EDF acknowledged *“Emergency contact details are not as robust as they should be. Work does need to be carried out...to ensure the quality of this data is improved.”* but expressed that it was *“uncertain if centralising the management of the Emergency Contact Information...is the right approach to take.”*

### **c) Consumer Relationship**

SGD acknowledged that *“Shipper/suppliers have the primary relationship with customers ...However, they have no commercial use for the emergency contact information.”* SGD believe that *“interim activities should take place, particularly education of consumers ...But this should not replace the requirement for a new solution.”* Referring to the triggers for change of emergency contacts, SGD commented *“Changes...are not likely to be associated with supply contract terms; they can more sensibly be related to HSE obligations (on both the customer and transporter).”*

EON added that the *“supplier’s relationship with a customer is transient and may only last a year. The relationship between the GT and the customer will last the lifetime of the premises having a gas supply.”*

BP believes *“The cyclic nature of the Gas Supply market is not aligned with the frequency at which E[mergency] C[ontact] I[nformation] needs to be re-validated...The Shipper/Supplier do not have access to the “history” of data provided by other Shippers/Suppliers, access to which may allow a greater degree of validation of information.”*

British Gas Trading (BGT) expressed a view that *“only the Supplier...has the contractual relationship with the consumer and through this, access to the required information.”*

SSE believes that the *“requirement (and we would argue responsibility) for providing emergency contact information currently rests with Shippers and*

*Suppliers. This was presumably determined for a very good reason ...on the fact that they have direct contact with their customers and are best placed to identify changes in the contact details.” SSE added the “Transporter has neither the direct contact or the contractual relationship with the end customer” and believes that implementation of the proposal would “cause more confusion for customers as to whom they inter-act with; the Transporter, Shipper or Supplier.”*

*Transco stated, “shippers/suppliers are currently accountable for the provision of this information..[and] are the bodies with a contractual relationship with consumers...therefore the only party which can enforce the requirements of provision of information.”*

*EDF questioned “whether the Gas Transporter would be in a better position to obtain this data compared to the shipper.” and believed that “further analysis is required in terms of...Contractual arrangements.”*

#### **d) Relevant Objectives**

*SGD believes that the proposal “furthers the relevant objectives by ensuring economic, safe and efficient operation of the pipe-line system [and] ...promotes competition between shippers and relevant suppliers by focusing commercial activities on these areas where competitive approaches are relevant while providing the gas transporters with a regime that protects consumers' interests for efficient and economic systems.”*

*EON expressed a view that the proposal would “better facilitate the Relevant Objective, ‘the coordinated, efficient and economical operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters’, through controlled and efficient co-ordination of the maintenance of Large Firm Emergency Contact information.”*

#### **e) Regulatory**

*SGD believe “gas transporters have a requirement for this data to satisfy their own safety cases. It appears reasonable to us that as the requirement is to allow the gas transporters to operate their pipeline systems in a safe manner.” and added “NGT appears to want shippers to come to an agreement amongst ourselves and...contract together for a service. This raises issues under competition law and does not address...shippers who did not participate.”*

*TGP commented “Ultimately however, there is a licence obligation upon the Transporters to operate a safe network.”*

*BP stated “The relevant Transporter ... needs and actively uses the E[mergency] C[ontact] I[nformation] to manage load reduction and pressure management on their Networks” and clarified that “Nothing in BP’s modification seeks to change any of the existing legislative and regulatory obligations.”*

*NPO commented, “It is a Shippers/Suppliers licence obligation to supply and maintain this information.”*

BGT outlined that it is *“not convinced that simply passing the responsibility for collecting and maintaining this data to the Transporter is in the best interest of the industry as a whole”* and added *“We appreciate the proposer’s view that this ...is primarily required by the Transporter in order to fulfil...their safety case. However, the provision of this information to support processes that would be followed in an emergency situation is of concern to all players.”* BGT believes that it *“does not seem appropriate that Shippers...are removed entirely from this obligation.”*

SSE suggested that the proposal *“introduces significant change and additional complexity into...process, by adding another party...Such an approach...would cause additional confusion in terms of who is responsible or accountable for the accuracy of information between the customer, Transporter, Shipper and Supplier.”* SSE added *“If the Transporter is to attract responsibility, changes could be required to licences, Safety Case etc., to ensure they had the capability to comply. We are not convinced that shifting responsibility will on its own achieve anything.”*

Transco expressed a view that the current legislative and licence environment sets out the suppliers and shippers central role in the provision to transporters of 'emergency contact' information. In Transco's opinion, the measures identified within this Modification Proposal are not consistent with these obligations.

#### **f) Safety and Security of Supply**

SGD stated that *“Experience with the current arrangements demonstrates that they are not working well enough to ensure that, in an emergency, the Network Emergency Coordinator, can have the level of confidence required that large firm sites can be contacted and stop taking gas when necessary.”* SGD added *“the prime focus of any changes should be to ensure, and improve upon, safety of the system.”*

EON believe *“it is the natural perception of consumers that the Transporter is at the heart of gas safety from a Network security viewpoint.”* and view that the proposal is a method of *“ensuring greater confidence in the ability of the Transporter to be able to call off firm gas use in an emergency.”*

BP expressed *“concerns regarding the forecasted tightening of the supply/demand balance in the short to medium term which could, if coupled with a cold winter in mainland Europe, lead to supply issues in the UK.... improved ECI robustness may prove to be critical in maintaining supplies to end consumers.”*

#### **g) GATG and GEIEC**

SGD views that *“This proposal is not "premature". SGD participated in the CIWG discussions in 2003 which covered much of the same area as the current Load Shedding Workshop (education, best practice etc)”* and added *“NGT is hoping that by repeating ... previous exercises... the issue will be resolved... without change as proposed in M728, it will need to be revisited again in a few*

*years. Transco itself has described this area of work as the 'interim solution'. This proposal provides a robust long term solution."*

*TGP noted that "a centrally managed contact database has been proposed as an enduring solution by the Emergency Load Shedding sub-committee of the Gas Advisory Task Group" and commented "We acknowledge that the Gas Advisory Task Group (GATG) has met ...to discuss methods of improving the ... regime. We believe that any process enhancements identified by the GATG will improve the current regime. We are concerned...that insufficient progress may be made in time...to manage safety of the network...for the winter of 2005/2006."*

*BP reflected on discussion of the topic within the Supply Point & Billing Workstream commenting that "BP agreed to the placing of the review of the provision and maintenance of ECI on the agenda of a sub-group of GATG (The Gas Advisory Task Group) ...with the proviso that any work...be completed in time for a workstream report to be sent to the April 2005 Modification Panel."*

*NPO believed that it is "premature to decide whether or not to implement ..when the Gas Advisory Task Group (GATG) has yet to complete its work."*

*BGT clarified that "progress has been made within the...(GATG)...by means of looking at the current procedures, improving customer's knowledge/ understanding, and to develop a more reasoned proposal for improvement."*

*SSE commented "The industry needs to examine why it is that some parties have high performance levels whilst other parties do less well. The aim should be to look to build on the good experience of the best performers...we welcome the initiative in this area being undertaken by the Gas Advisory Task Group." SSE added "pending the outcome of the Gas Advisory Task Group initiatives ... it would be prudent not to proceed with the changes associated with Modification Proposal 0728 at this time."*

*Transco expressed a view that the "proposal does not take account of the root cause analysis undertaken on the nature of the current difficulties conducted by the Gas Advisory Task Group (GATG)." and added "The GATG has met on three occasions and has yet to conclude its work. Transco believes that this Modification Proposal is premature."*

#### **h) Remedies for the User and Transporter**

*SGD commented that it "notes Transco's suggestion that shipper/suppliers ...offer incentives and penalties for...not providing this information. This reveals Transco's lack of understanding of the workings of the gas supply market, ...contract negotiations and competitive pressures. Transco's presentation to the GATG ... on 22 March 2005 states, "financial penalties are 'heavy handed' and not easily agreed or implemented". This would apply particularly to Transco's suggestion ...[and] would introduce particular difficulties in the competitive arena." SGD added "Transco suggests that by being able to physically isolate it can keep the system safe. This is correct but presumably not having to physically isolate would be more economic and*

*efficient.” and further suggested that “It is the transporter who can enforce the requirement [for provision of contacts], physically if necessary by visiting the site and disconnecting.”*

*EON commented that “Transco claim that only shipper/suppliers can enforce the requirements of provision of information ...It is certainly the case that all consumers should be bound by their supply contract to provide such... however the...suppliers have very little by way of sanctions to carry out enforcement.” EON added “The Transporter has responsibility for the integrity of the Network and has sufficient powers of enforcement on end users under existing legislation for example, where necessary to carry out isolation.”*

*TGP reflected that “shipper/suppliers are able to provide commercial incentives to induce customers to provide the information required...but any database that the transporters maintain will ultimately be funded by Users via the price controls.” and added “While the transporters are able to disconnect consumers without their knowledge or consent, this should be a last resort. It is doubtful that the transporters will be able to disconnect sites unilaterally as safely or effectively without contacting consumers.”*

*BP stated “It is not clear what sort of incentives Transco has in mind ...Perhaps they would like to elaborate on what “levers” they believe are not being applied.” BP further commented “The relevant Transporter has the requisite powers to effect interruption at the consumer’s site if necessary on the grounds of safety.” and added that BP “do not feel that a penal regime...is the appropriate solution if other, less adversarial, options are available.”*

*BGT stated “We are of the opinion that it would be more beneficial to clearly identify the appropriate responsibilities...and to place the relevant obligations and incentives upon the correct party”*

*SSE noted that “Shippers and Suppliers...have contractual arrangements with customers...to ensure they understand why it is so important that this information is kept up to date and ensure there are...obligations and incentives to ensure their customer complies.”*

*Transco believes that Shippers/Suppliers “would, if they so chose, have levers available to them to ensure that the data is provided (e.g. offering incentives for customers ...and penalties where ... the information is not accurate or maintained.)” Transco added that it “maintains a safe system regardless... Transco has arrangements in place where it can physically secure the network (forced isolation from as low a level as site by site or securing at higher level within the network).”*

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

In the Draft Modification Report, Transco stated a belief that implementation of this Modification Proposal is not required to enable Transporters to facilitate compliance with safety or any other legislation. Transco stated that arrangements are in place to allow it to physically secure the network (forced isolation from as low a level as site by site or securing at higher level within the network). Transco believes that the emergency contact process is present to ensure all industry parties work together to achieve reduction in load in an efficient manner, with as minimal disruption to end consumers as possible.

A number of Users supporting implementation believed that the proposal would increase the efficiency of the process of gathering Emergency Contact Information and thus increase confidence that the Network Emergency Coordinator is able to facilitate cessation of gas flow in order to ensure safety of the Systems.

**13. The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence**

Implementation of this Modification Proposal is not required to facilitate any such change.

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

If this Modification Proposal were implemented, a programme of works would be required. This would include development of UK-Link functionality.

In the Draft Modification Report, Transco stated that it believes an additional requirement will establishment of contact relationships with consumers and changes to each Relevant Transporters Safety Case. The proposer does not believe that such contractual arrangements would be required.

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

No implementation timetable is currently proposed but if the Authority directs that this Proposal be implemented a significant lead-time will be required to actual implementation.

**16. Implications of implementing this Modification Proposal upon existing Code Standards of Service**

No such impact has been identified.

**17. Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel**

At the Modification Panel meeting held on 6th July 2005, of the ten Voting Members present only three were in favour of implementing this Modification Proposal and the other seven were not . Therefore no recommendation was made.

**18. Transporter's Proposal**

This Modification Report contains the Transporter's proposal not to modify the Code and the Transporter now seeks agreement from the Gas & Electricity Markets Authority in accordance with this report.

## **19. Text**

The Transporters do not support implementation of this Modification Proposal. Legal text has therefore not been provided at this stage.



Subject Matter Expert sign off:

*I confirm that I have prepared this modification report in accordance with the Modification Rules.*

Signature:

Date :

**Tim Davis**  
**Chief Executive**

Signed for and on behalf of Relevant Gas Transporters:

Signature:

Date :