

Draft Modification Report
Amendments to the provisions governing 'failure' to obtain readings
Modification Reference Number 0017
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 9.6.

1. The Modification Proposal

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

Transco states that it has raised this Modification Proposal to allow the Relevant Transporter discretion to 'postpone' instigation of reasonable endeavours (and possible application of an associated charge to a User) to procure a read from an Annual Read Meter. It states that such discretion may apply where the Registered User is undertaking investigation in respect of a read previously procured pursuant to Section M3.6.1. Also, where the Relevant Transporter has previously procured such a read, to afford a User a four month 'window' to address a Meter Information related anomaly with respect to Annual and Monthly Read Meters.

Transco claims that this Proposal removes the potential for the levying of 'unnecessary' charges to Users associated with reading of Annual and Monthly Read Meters.

Transco therefore states that the measures identified within its Modification Proposal further the GT Licence 'code relevant objective' of facilitating the efficient and economic operation by the licensee of its pipe-line system.

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

No such implications have been identified.

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

a) implications for operation of the System:

No implications for operation of the system have been identified.

b) development and capital cost and operating cost implications:

No such implications have been identified.

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

Minor changes to relevant processes and procedures operated by xoserve would be necessary. Transporters do not propose any additional cost recovery.

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 of each Transporter under the Code as modified by the Modification Proposal

Implementation of this Modification Proposal would not increase the level of each Transporter's 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

No changes would be required to the Transporter's UK Link system to facilitate implementation of this Modification Proposal.

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

The proposed change would prevent the User from being subject to additional charges for the transporter undertaking reasonable endeavors to procure a meter reading pursuant to Section M3.6.1. In the circumstances identified, the Transporter will have already procured a read but an anomaly will have been identified in the information contained within the Supply Point Register that requires corrective action by the relevant User. If implemented, the Modification would provide a period of relief from charges generated by Section M3.6.1 in which the User may investigate and undertake this corrective action before any further action is taken by the Relevant transporter pursuant to Section M3.6.1.

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

No such implications have been identified.

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

No such consequences have been identified. It is important to note that regardless of Uniform Network Code obligations in respect of ‘cyclic’ reading, suppliers have a separate and distinct obligation under Condition 17 (‘Reading, Inspection and Testing of Meters’) of the Suppliers Licence to undertake periodic meter inspections. The obligation also requires the procurement of a meter reading at the same time as a meter inspection that the User may choose to submit to the Relevant Transporter as a cyclic reading.

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

Advantages:

- Affords the Relevant Transporter greater flexibility in only undertaking reasonable endeavors pursuant to Section M3.6.1 where genuinely required.
- Prevents the User being subject to charges where it is investigating and taking steps to resolve an anomaly in the Supply Point Register.
- As the period of relief from such charges is finite, timely resolution by the User of the anomaly in the Supply Point Register prevents the User from incurring further charges.

Disadvantages:

- No disadvantages have been identified.

11. Summary of representations received (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 each Transporter to facilitate compliance with safety or other legislation

Implementation of the Modification Proposal is not required to enable Transporters 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 paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence

This Proposal is not required to facilitate any such change.

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

No systems development work is required to facilitate implementation of this Modification Proposal. Minor changes to relevant processes and procedures operated by xoserve would be necessary.

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

This Modification Proposal could be implemented with immediate effect.

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

No such implications have been identified.

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

19. Text

Draft Legal Text

MODIFICATION PROPOSAL 0017

Amendments to the provisions governing 'failure to obtain readings'

Section M: Supply Point Metering

Amend paragraph 3.6.1(a) as follows:

3.6.1 Subject to paragraphs...

- (a) The Transporter will, unless ~~in the case of a Monthly Read Meter~~ it appears to the Transporter (in its sole discretion) that the circumstances are such that it would be inappropriate to do so, use reasonable endeavours to obtain a Meter Reading for such Meter;

Amend paragraph 3.6.2 to read as follows:

3.6.2 The Transporter will not initiate a Meter Read pursuant to paragraph 3.6.1 for a Meter Read Date earlier than:

- (a) the 10th Business Day of the calendar month (the "**following month**") following the month of the failure referred to in that paragraph; or
- (b) the 80th Business Day following the date upon which the Transporter has notified the User in accordance with paragraph 3.2.15 of incorrect Meter information in respect of such Monthly Read Meter or (as the case may be) Annual Read Meter;

Representations are now sought in respect of this Draft Report and prior to the Transporters finalising the Report

Subject Matter Expert sign off:

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

Signature:

Date :

Signed for and on behalf of Relevant Gas Transporters:

Tim Davis
Chief Executive

Signature:

Date :