

**Draft Modification Report**  
**Revision to Section O - Removal of references to the Base Plan Assumptions Document**  
**Modification Reference Number 0022**  
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**

The Proposal submitted was as follows:

"The proposal is to remove the references to the Base Plan Assumptions document from UNC Section O. All references to Base Plan Assumptions are to be removed or replaced by references to Transporting Britain's Energy or the Transco Ten Year Statement. It is also proposed to move the sections that are currently in the section titled Base Plan Assumptions to the section titled the Ten Year Statement.

After wide Industry consultation the Transporting Britain's Energy (TBE) process was agreed in 2001. The outcome of this process is the annual publication of the Transco Ten Year Statement (10YS), which contains all the information which the UNC requires to be published in the Base Plan Assumptions (BPA) document. As the BPA document has been superseded by the 10YS, the BPA document no longer needs to be published. This Proposal seeks to ensure clear alignment of agreed practice with UNC provisions.

Non implementation of this Proposal would perpetuate the present situation with potential for duplication and inefficiency."

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

The Proposer stated that:

"Implementation of this proposal will facilitate the efficient discharge by the licensee of its licence obligations."

In support of this statement the Proposer commented that "As part of the TBE process, Transco NTS has developed targeted industry questionnaires to ensure the responses are consistent and relevant to the recipients. Transco NTS developed these for the Users, Producers, End Users, Consumers, Transporters, Terminal Operators and Storage Operators. The process of gathering and publishing planning information will be better coordinated by aligning the User requirements with other Industry participants. This should lead to cost savings within the Transporters' planning process and potential increased investment efficiency."

The Proposer also stated that:

"The Proposal will also promote the efficient implementation and administration of the UNC."

Views are sought regarding the extent to which implementation would better facilitate the relevant objectives.

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

The Proposer stated that, "No implications are expected."

No adverse implications in respect of industry fragmentation have been identified.

Views would be welcome if any party believes there would be any such implications.

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

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

In support of this Proposal, the Proposer suggested that "No implications for operation of the system have been identified."

Views would be welcome, from parties, regarding any implications relating to the operation of their respective systems.

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

The Proposer did not identify any such cost implications.

A view from the parties would be welcome.

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

The Proposer stated that it did "not propose any additional cost recovery as a result of this Proposal."

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

The Proposer has not identified any such consequences.

Views would be welcome if any party believes there would be any such consequences.

**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**

The Proposer has not identified any such consequences.

Views would be welcome if any party believes there would be any such consequences.

**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**

The Proposer stated that "Transco NTS does not envisage any such consequences."

Views would be welcome if any party believes there would be any such implications

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

The Proposer stated that "Transco NTS does not envisage any such consequences."

Views are sought regarding the implications of implementing the Modification Proposal for Users.

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

Views, regarding such implications are invited.

**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**

Views would be welcome if any party believes there would be any such consequences.

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

The Proposer has identified the following advantages of implementation:

- The process of gathering and publishing planning information would be better coordinated by aligning the User requirements with other Industry participants.
- This should lead to cost savings within the Transporters' planning process; and
- Potential for increased investment efficiency.

No disadvantages have been identified by the Proposer

**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 is not required for this purpose.

- 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 is not required having regard to any such proposed change.

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

The Proposer has not identified any programme of works.

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

The Proposer has suggested that this Proposal should be implemented in September 2005.

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

Views would be welcome if any party believes there would be any such implications.

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

**UNC Modification Proposal Number 022  
Revision to Section O – Removal of Base Plan Assumption Document  
Legal text for Draft Modification Report**

**Section O**

*Amend the heading to paragraph 1.2 to read as follows:-*

“1.2 Transporting Britain's Energy and Ten Year Statement”

*Amend paragraph 1.2.1 to read as follows:-*

“1.2.1 Each year Transco NTS will undertake the Transporting Britain's Energy consultation process and subsequently publish a Ten Year Statement in accordance with paragraphs 3 and 4.”

*Amend paragraph 1.2.2 to read as follows:-*

"1.2.2 "Transporting Britain's Energy consultation process" is the consultation process setting out the initial assumptions of Transco NTS as to supply and demand in Gas Years and requesting information from Users and other persons by means of one or more questionnaires."

*Amend paragraph 1.3 to read as follows:-*

"1.3 No Transporter will be liable pursuant to the Code to any User in relation to any estimate, forecast or other information contained in or omitted from the Transporting Britain's Energy consultation process or Ten Year Statement, and nothing contained therein will bind a Transporter to undertake any reinforcement of any relevant System(s)."

*Amend paragraph 1.4 to read as follows:-*

"1.4 For the purposes of this Section O, in relation to the planning activities undertaken in accordance with this Section O in any year, year 0 is the Gas Year in which such activities are being undertaken, year 1 is the immediately following Gas Year and years 2 to 9 are the following 8 Gas Years, and year - 1 is the Gas Year preceding year 0."

*Amend the heading to paragraph 3 to read as follows:-*

"3. TRANSPORTING BRITAIN'S ENERGY"

*Amend paragraph 3.1 to read as follows:-*

"3.1 In January of each year (year 0), Transco NTS will conduct the Transporting Britain's Energy consultation process and request information from Users and others in accordance with paragraph 3.2."

*Delete paragraph 3.1.2 and 3.1.3*

*Amend paragraph 3.2.1 to read as follows:-*

"3.2.1 Each User shall provide to the Transporter, by the date and in the format specified in the Transporting Britain's Energy questionnaire:

- (a) .....
- (b) such estimates for years 1 to 3 of availability of gas for supply (in accordance with paragraph 2.2.1) to such User, upon such assumptions (as referred to in paragraph 2.2.2), as may be required pursuant to the Transporting Britain's Energy consultation process; and
- (c) in the case of Transco NTS, such further information as may reasonably be requested by Transco NTS pursuant to the Transporting Britain's Energy consultation process."

*Amend paragraph 3.2.2 to read as follows:-*

"3.2.2 The information required under paragraph 3.2.1 is to be provided:

- (a) .....
- (b) ....., and
- (c) .....

and on such basis of estimation or otherwise as may be specified by Transco NTS pursuant to the Transporting Britain's Energy consultation process."

*Amend paragraph 3.2.3 to read as follows:-*

"3.2.3 Subject to paragraph 3.2.4, in order to ensure consistency of information provided to the Transporter and to avoid duplication in estimation of demand, a User's estimates of demand are to be in relation to Supply Points in respect of which the User is Registered User and other sources of demand as at the reference date specified (pursuant to paragraph 4.1.2(g)) by Transco NTS pursuant to the Transporting Britain's Energy consultation process, and Users should not take into account anticipated changes in their portfolios of Supply Points or in market share, other than as respects new loads in accordance with paragraph 3.2.4."

*Amend paragraph 3.3.2 to read as follows:-*

"3.3.2 Where Transco NTS specifies, pursuant to the Transporting Briatin's Energy consultation process, the form in which information provided to Transco NTS pursuant thereto is to be published, a person providing information to the Transporter for the purposes of this Section O will be deemed to have consented to:

- (a) .....
- (b) .....

*Amend paragraph 3.3.3 to read as follows:-*

"3.3.3 Subject to paragraph 3.3.2 and to the Transporter's duties under the Transporter's Licence and the Act, and except where any such person consents thereto, the Transporter agrees that the Ten Year Statement, and in the case of Transco NTS only, the Transporting Britain's Energy consultation process, will not identify by name any particular Users nor (insofar as any User shall have provided information to the Transporter relating to such person) any supplier, consumer or person producing or selling gas before its delivery to the Total System."

*Amend paragraph 3.5.1 to read as follows:-*

"3.5.1 Subject to paragraph 3.5.2, each User will, in so far as lies within its power, cooperate with and provide reasonable assistance to the Transporter in obtaining information requested under the Transporting Britain's Energy process from persons not bound by the Code, including Delivery Facility Operators in respect of Connected Delivery Facilities at Aggregate System Entry Points and Offtake System Operators in respect of Connected Offtake Systems at Connected System Exit Points at which the User holds capacity, persons from whom the User has contracted to purchase gas, suppliers to whom the User has contracted to sell gas and consumers who are customers of such suppliers or of the User directly."

*Amend paragraph 4.1 to read as follows:-*

#### **"4.1 Publication and content of Ten Year Statement**

4.1.1 On the basis of the information provided:

- (a) to Transco NTS by Users, other responses to the Transporting Britain's Energy consultation process and other information available to it, Transco NTS will;
- (b) .....

4.1.2 The Ten Year Statement will typically include:

- (a) details for year - 1 of actual peak day demand:
  - (i) for the Total System; and
  - (ii) for System Exit Points (other than Unmetered Connected System Exit Points) in accordance with paragraph 4.1.3;
- (b) estimates for each of years 0 to 9 (or for certain of such years) of:
  - (i) Total System 1-in-20 peak day demand and the Total System seasonal normal annual demand, upon each of the demand growth assumptions under paragraph (e) below; and
  - (ii) 1-in-20 peak day demand for System Exit Points in accordance with paragraph 4.1.3;
- (c) estimates for each of years 0 to 9 (or for certain of such years) of maximum daily supply for the Total System, by System Entry Point, and the assumptions (in accordance with paragraph 2.2.1) on which such estimates were made;
- (d) an estimate for year 1 of the amounts by which maximum daily supply falls short of Total System 1-in-20 peak day demand;
- (e) different assumptions as to overall growth in demand for gas in years 0 to 9 or certain of such years;
- (f) the principal economic and other assumptions made by Transco NTS in preparing such estimates; and
- (g) a reference date for the making of estimations of demand.

4.1.3 The details or estimates in respect of System Exit Points under paragraphs 4.1.2(a)(ii) and 4.1.2(b)(ii) will be given:

- (a) in respect of LDZ Supply Points, on an aggregated basis by LDZ;
- (b) in respect of NTS Supply Points, on an aggregated basis for the Total System as a whole; and
- (c) in respect of each LDZ Connected System Exit Point on an aggregated basis by LDZ (but not for Storage Connection Points)."

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 Joint Office of Gas Transporters**

Signed for and on behalf of Relevant Gas Transporters:

Signature:

Date :