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value for all customers*

The Joint Office, Relevant Gas
Transporters and other interested
parties

Our Ref: UNC/Mod/060
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Email: modifications@ofgem.gov.uk

15 February 2006

Dear Colleague,

Modification proposal 0060 'Publication of information in the Maintenance Programme'

Ofgem¹ has considered the issues raised in the modification report in respect of modification proposal 0060 '*Publication of information in the Maintenance Programme*' and, having regard to the principal objective and statutory duties of the Authority², has decided to direct the relevant gas transporters to implement modification proposal 0060.

Background to the proposal

In the NTS maintenance programme, National Grid NTS is required to publish information relating to affected NTS system entry and exit points. In practice, more specific information is provided only regarding Aggregate System Entry Points (ASEPs). Information relating to NTS system exit points comprises only a list of Maintenance Affected Exit Points.

The Modification Proposal

The modification proposal requires National Grid NTS to make available information on affected NTS connected system exit points and NTS supply points to the relevant shipper(s) and consumer(s) at these points at the same time as the publication of the rest of the maintenance programme. The information should include the expected dates of the supply interruption and whether a full or partial cessation of the offtake of gas will be required.

¹ Ofgem is the Office of the Gas and Electricity Markets Authority. The terms 'Ofgem' and 'the Authority' are used interchangeably in this letter.

² Set out in Section 4AA of the Gas Act 1986, as amended.

Respondents' views

Eight responses were received in relation to modification proposal 0060. All respondents supported the modification proposal³.

One respondent stated that the proposal represents a pragmatic approach to ensuring that consumers receive early information relating to possible disruption to their gas supplies whilst maintaining commercial confidentiality.

This respondent stated that the information to be provided should be consistent with the requirements for the maintenance programme specified in the Transportation Principal Document (TPD) section L 3.2.1. The respondent noted that this may, in some cases, mean that precise dates are provided, whilst for other cases only a "window" (typically of two weeks) can be provided. In the latter case, precise dates are confirmed in accordance with the further provisions of the Uniform Network Code (UNC).

A number of respondents stated that they supported the proposal because it will provide sites connected to the NTS with information regarding planned maintenance in a more timely and effective manner, whilst maintaining commercial confidentiality.

One respondent stated that the availability of information in the maintenance programme to include CSEP and NTS exit points will assist Users in making appropriate arrangements for any outages required for maintenance at their customer premises. In addition, this respondent agreed with the proposer's view that this modification proposal has the benefit of allowing National Grid NTS to apply the original intent of the code, without compromising commercial confidentiality.

One respondent noted that there have been occasions when National Grid NTS has taken maintenance upstream from an offtake point which was eventually affected without being aware of that maintenance being carried out. The respondent noted that publication of information relating to the extent of the maintenance period, volume and location of gas interrupted will be beneficial to the whole shipping community as it has proven to be in the electricity industry.

Another respondent stated its support for this modification in principle as the exchange of information between National Grid NTS and the appropriate NTS shippers and consumers for all NTS connected sites should help to minimise disruption of gas supplies. The respondent considered that this is best achieved by the specific information being provided to the appropriate relevant parties rather than to all shippers and consumers affected by the planned NTS maintenance programme.

Respondents generally considered that implementation of the proposal should enhance the efficient and economic operation of the pipeline system as it would provide for improved coordination of maintenance plans between the transporter and affected parties.

Legal drafting

One respondent provided alternative legal text, which it considered would provide greater clarity. Two respondents, including the proposer, supported the proposed amendments.

³ Respondents' views can be found on the Gas Transporters Information Service <https://gtis.gasgovernance.com>

The amendments were therefore incorporated into the legal text of the final modification report.

Panel recommendation

At the modification panel meeting of 15 December 2005, of the nine voting members present, capable of casting nine votes, nine votes were cast in favour of implementing modification proposal 0060. Therefore the panel recommended implementation of the proposal.

Ofgem's view

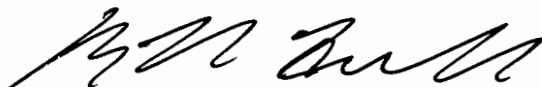
Ofgem agrees that this modification allow parties directly associated with affected supply points to better coordinate their planned activities with the transporter, thereby better facilitating relevant objective (a) of the UNC, as set out in paragraph 1 of Standard Special Condition A11 (Network Code and Uniform Network Code) in the Gas Transporters Licence; ***the efficient and economic operation of the pipe-line system to which this licence relates.***

Ofgem's decision

For the reasons outlined above, Ofgem has decided to accept modification proposal 0060.

If you wish to discuss any aspect of this letter, Mark Feather (telephone 0207 901 7437) or Matteo Guarnerio (telephone 0207 901 7493) would be pleased to assist.

Yours sincerely



Robert Hull
Director, Transmission