

TOTAL GAS & POWER LIMITED

Mr. Julian Majdanski
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
West Midlands
B91 3QJ
enquiries@gasgovernance.com

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Dear Julian,

Modification Proposal 0092 - “Provision of a Supply Point Enquiry Service for Smaller Supply Points”

Total Gas & Power Limited supports the implementation of Modification Proposal 0092

Our comments are as follows:

Prior to its removal, the ad hoc enquiry service was of significant benefit to Shippers in accurately pricing contracts for prospective customers. As this service has facilitated competition, it seems appropriate that it is specifically mandated within the UNC, as has been done previously. Just prior to the DN Sale, Modification 717 placed a reference to the Supply Point Information Service within the UNC. It was recognized that while the current service was unlikely to be removed entirely, there was a need to ensure that the current levels of service were maintained in a changing market environment. In its decision letter to Modification 717 Ofgem highlighted its concern that Users would not have the ability to prevent changes being progressed by Transporters against their wishes. The unilateral removal of the ad hoc enquiry service process that is the subject of this modification validates this concern. It is evident that the protection given by Standard Licence Condition A31 does not prevent the removal of specific functions provided by the Transporters and that greater detail as to the nature of the service should be provided in subsidiary documents.

We are unsure however whether this requirement should be incorporated within the UNC in isolation, as the remainder of the Supply Point Information Service is detailed within the Supply Point Information Service Guidelines (which is referenced in the UNC) not the UNC itself. To reduce the fragmentation of the governance of the Supply Point Information Services, it would seem germane that the remainder of the Supply Point Information Service be subject to UNC governance processes.

With regard to the operational impacts of the modification, the requirement to obtain written permission from customers to allow, coupled with the obligation on xoserve to request proof of consent if there is reasonable doubt, should guard against unwarranted requests from shippers.

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



Gas Transporter Licence Standard Special Condition A11.1

- (a) *the efficient and economic operation of the pipe-line system to which this licence relates;*

Does not apply to this objective

- (b) *so far as is consistent with sub-paragraph (a), 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;*

Does not apply to this objective

- (c) *so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;*

Does not apply to this objective

- (d) *so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition:(i) between relevant shippers;(ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers;*

The modification allows Shippers to accurately price contracts for multi-site portfolios, thereby encouraging effective competition.

- (e) *so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards (within the meaning of paragraph 4 of standard condition 32A (Security of Supply – Domestic Customers) of the standard conditions of Gas Suppliers' licences) are satisfied as respects the availability of gas to their domestic customers; and*

Does not apply to this objective

- (f) *so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code.*

Does not apply to this objective

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

No implications identified

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

a) implications for operation of the System:

No implications identified

b) development and capital cost and operating cost implications:

There will be a minor cost in increased workload for the Transporter's agent, but we anticipate this would be minimal.

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



appropriate way to recover the costs:

Do not anticipate any increase in costs requiring recovery outside of allow revenue

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

No consequences identified.

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 Shippers would be required to actively obtain permission from customers prior to requesting the information from the Transporters. Any liability for improper use would be placed upon the Shippers and so we do not anticipate any increase in contractual risk for the Transporters.

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

We do not anticipate any changes to the UK Link system

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

If Shippers choose to utilise this option then there will be a consequential minor increase in administrative and operational costs. As Shippers will be obliged to obtain written consumer approval prior to obtaining this information, we do not anticipate an increase in contractual risk.

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

No implications identified

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 modification proposes a self-regulatory regime for Shippers to demonstrate their compliance with obtaining consumer permission. There will be a modest obligation on the Transporters to confirm this compliance if there are reasonable grounds to do so. Any non-compliance would be investigated by the Authority in a manner similar to other licence breaches. There does not seem therefore to be a significant change to the contractual relationships within the Uniform Network Code as a result of this modification.

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

We have identified the following advantages:



- Increase in information available to Shippers to enable them to manage their portfolio
- Facilitate competition by allowing more contracts to be more accurately priced.

We have identified the following disadvantages:

- None identified

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

Not required for this purpose

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

Not required for this purpose

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

Xoserve will be required to reinstate their previous service. We anticipate the program of work to achieve this will be minimal.

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

We agree with the proposer's implementation timetable.

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

No implications identified

Further Comments

None

Should you wish to discuss our response further, please feel free to contact me.

Yours faithfully

Gareth Evans
Regulation Analyst
Total Gas & Power Limited

Direct: +44 (0) 20 7718 6081
E-mail: gareth.evans@total.com

