

Draft Modification Report
Clarification of Supply Point Confirmation Notice Requirements for Certain Special
Metering Supply Points
Modification Reference Number 0132

Version 1.0

This Draft Modification Report is made pursuant to Rule 9.1 of the Modification Rules and follows the format required under Rule 9.4.

1 The Modification Proposal

This proposal seeks to clarify the notice requirements for a Proposed Supply Point Registration Date (currently detailed within UNC TPD section G2.5.8) for certain Special Metering Supply Points. It is proposed that for the following Supply Points, the proposed Supply Point Registration date shall be not less than 2 months (or such lesser period as the Transporter may specify) after the Supply Point Confirmation is submitted:

- A Supply Point (excluding an NTS Supply Point) transferring to a Special Metering Supply Point (such as a Supply Point transferring to the LDZ Optional tariff pursuant to B4.6.9) which requires removal of the specified exit point from the sites and meters database for administrative purposes, or
- An existing LDZ Special Metering Supply Point which due to reversion to normal Supply Point status requires addition of the specified exit point to the sites and meters database for administrative purposes.

Examples of reasons for the latter scenario occurring are (but not restricted to) moving from the LDZ Optional tariff to the standard LDZ charge rates or moving from Shared Supply Meter Point status to normal Supply Point status.

It is proposed that the above requirements replace the current provision detailed within UNC TPD section G2.5.8(c) which requires a two month notice period for 'normal' Supply Point Offers received via Batch Transfer Communication. Such communication is defined in UNC TPD section U4.5.1 as "*a data file containing one or more messages transmitted...by means of the UK Link Network*" and should be subject to the notice periods detailed within UNC TPD sections G2.5.8(a) and G2.5.8(b) and not to a two month notice period as currently stated.

Should this proposal not be implemented, Supply Point Confirmations issued via Batch Transfer Communication will contractually require a two month lead time whereas the two month requirement is only applicable where the relevant exit point is required to be removed from, or added to, the sites and meters database for administrative purposes.

For the avoidance of doubt, no change is proposed to the existing provisions concerning notice requirements for Shared Supply Meter Points detailed within UNC TPD section 1.7.10(b)(ii).

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

facilitate the relevant objectives

Standard Special Condition A11.1 (a): *the efficient and economic operation of the pipe-line system to which this licence relates;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (b): *so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (c): *so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (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;*

By clarifying the Supply Point Confirmation notice requirements and thereby increasing certainty, implementation of the Proposal would better facilitate the securing of effective competition between relevant Shippers.

Standard Special Condition A11.1 (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;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (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.*

Implementation would not be expected to better facilitate this relevant objective.

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

No impact anticipated.

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

a) implications for operation of the System:

No implication for operation of the system has been identified.

b) development and capital cost and operating cost implications:

A minor change to the internal processes and procedures of the Transporters' agent would be required.

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

No additional cost recovery is proposed.

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

No consequence for price regulation has 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 would eliminate contractual uncertainty regarding the notice periods for Supply Point Confirmations.

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 to systems would be required as a result of implementation of this Proposal.

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

Administrative and operational implications (including impact upon manual processes and procedures)

Users would be required to ensure that sufficient notice is afforded in relevant Supply Point Administration transactions.

Development and capital cost and operating cost implications

No such costs have been identified.

Consequence for the level of contractual risk of Users

Implementation would eliminate contractual uncertainty regarding the notice periods for Supply Point Confirmations.

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.

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

Advantages

Implementation would reduce contractual uncertainty regarding the notice periods for Supply Point Confirmations.

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)

Written Representations are now sought in respect of this Draft Report.

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

No such requirement has been identified.

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

No such requirement has been identified.

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

No programme for works has been identified.

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

It is proposed that the Modification is implemented with immediate effect following direction by the Authority.

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

No implications of implementing this Modification Proposal upon existing Code Standards of Service have been identified.

17 Text

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL
DOCUMENT**

SECTION G – SUPPLY POINTS

Transportation Principal Document, Section G, Paragraph 2.5.8.

Delete existing paragraph 2.5.8 (c) and replace with the following:

“(c) not earlier than 2 months (or such lesser period as the Transporter may specify) after the Supply Point Confirmation is submitted, where such Supply Point ceases to be, or becomes, a category of Special Metering Supply Point described in paragraph 7.1.1(d)(ii)(2), 7.1.1(d)(ii)(3), or 7.1.1(d)(iv).

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

For and on behalf of the Relevant Gas Transporters:

Tim Davis

Chief Executive, Joint Office of Gas Transporters