

CODE MODIFICATION PROPOSAL No 0172
Transporter Obligations Pertaining to Void and Vacant Sites
Version 3.0

Date: 19/11/2007

Proposed Implementation Date: First Business Day after approval by Ofgem

Urgency: Non Urgent

Proposer's preferred route through modification procedures and if applicable, justification for Urgency

(see the criteria at http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11700_Urgency_Criteria.pdf)

After discussion at the August Distribution Workstream, this was then sent back to the October Workstream for further development. This third version is now intended for discussion at the November Workstream.

Nature and Purpose of Proposal (including consequence of non implementation)

A User can be the Registered User of a meter point on a vacant or void site where the supply to that site has been isolated. Consequently the site is unable to offtake gas from the system. The fact that the meter point has been isolated will be recorded as such in the Sites and Meters database. For purposes of clarification the meter or meters at an isolated meter point is not physically removed from the site, it remains in situ although non-functioning. Until such time as a User withdraws from that MPRN, Transportation charges still have to be paid to the relevant Transporter.

There have been a number of cases where a property containing an isolated meter point has been demolished. When this occurs, the party carrying out the demolition is obliged under the Building Act 1984 to inform the relevant Transporter of the fact that this is being carried out in order to enable the Transporter to make safe the gas supply to the property prior to demolition.

It would be reasonable to expect the Transporter to inform the User of such disconnection of supply prior to demolition. Transporters have procedures in place to receive notice from parties involved in site demolition. However, following discussion with Transporters we accept that a demolition notice may be received but demolition may then occur significantly later or not at all. Therefore, we consider it appropriate to make the obligation on Transporters to inform Users of disconnection of gas supply rather than to inform Users of demolition notices received.

It is therefore proposed that it be made a requirement within the UNC for Transporters to inform Users of disconnections of gas supply carried out to a meter point or points prior to demolition of the site containing the affected meter or meters taking place.

We recognise that, in certain cases, demolition of sites is carried out illegally without the Transporter receiving the requisite information from the party involved. Clearly, in such a case, the Transporter can not be held responsible for failing to provide the User with information relating to a gas supply disconnection that they themselves have not conducted.

Since Transportation and or metering charges could continue to be levied as a result of the failure to complete the transfer of the requisite information we believe it should also be an obligation on the relevant Transporter to ensure that this information is sent to the Registered User within 10 working days of such gas supply disconnection prior to demolition being carried out by the Transporter.

Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A11.1 and 2 of the Gas Transporters Licence

Standard Special Condition A11.1 (a) the efficient and economic operation of the pipeline system to which this licence relates, by ensuring that costs are targeted at those who incur them.

Standard Special Condition A11.1 (d) the securing of effective competition (i) between relevant Users and (ii) between relevant suppliers, by ensuring the correct allocation and validation on costs

Any further information (Optional), likely impact on systems, processes or procedures, Proposer's view on implementation timescales and suggested text

Advantages of the Proposal

- Accurate market data is transferred to the relevant user in an appropriate timescale
- Users are able to validate transportation and other charges more effectively.

Disadvantages of the Proposal

- None identified

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

None identified

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

i. Implications for operation of the System

None identified

ii. Development and capital cost and operating cost implications

It is believed that there should no costs associated with this proposal as there are processes already in place to perform this requirement

iii. Extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs

RWE npower does not believe the costs associated with this modification to be

significant enough to warrant special recovery mechanisms.

iv. Analysis of the consequences (if any) this proposal would have on price regulation

None 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

None identified.

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 System and related computer systems of each Transporter and Users

None identified.

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

RWE npower believes that implementation of this Modification Proposal will not have any impact on Users' level of contractual risk.

Suggested Legal Text

UNC Transportation Principle Document Section G 3.8.2 suggested text

“Where the relevant Transporter carries out, in line with notification under the Building Act 1984, disconnection of gas supply prior to the demolition of a property connected to the System, the Transporter shall notify the Registered User of such disconnection and any MPRN associated with that property within ten business days of such disconnection being carried out”.

Code Concerned, sections and paragraphs

Uniform Network Code

Transportation Principal Document

Section(s) G 3.8.2

Proposer's Representative

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Proposer

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