

Modification Report
0238: Amendment to Protected Information Provisions to facilitate DNO compliance
with SPAA Schedule 23
Modification Reference Number 0238
Version 3.0

This Modification Report is made pursuant to Rule 9.3.1 of the Modification Rules and follows the format required under Rule 9.4.

1 The Modification Proposal

Distribution Network Operators (DNOs) are signatories to the Supply Point Administration Agreement (SPAA). SPAA supports the provision of information by the DNO to Suppliers.

Currently, DNOs, through their service provider, provide data to Shippers but not Suppliers or other persons. This arrangement arises because of a lack of clarity between the supplier centric nature of the relevant SPAA Schedule and the permissions laid down in the UNC and the terms of the DNO's Transporter licence.

In considering the application of SPAA Schedule 23 and hence granting access to Suppliers and other persons, the following considerations are relevant:

- The 'Protected Information' provisions contained within TPD Section V5 of the UNC place restrictions on Transporters ability to disclose Protected Information. However, there are a few circumstances where this is permitted, one of these being where DNOs are required to do so under their licence.
- Section 105 of the Utilities Act 2000 does not apply in respect of the prohibition of disclosure of Protected Information where such disclosure is required to be made by a Transporter as a condition of its licence.
- Gas Transporter Licence Standard Special Condition (SSC) A31 requires the Transporter to disclose specified information to those recipients listed in SSC A31. Legitimate recipients include 'an appropriate person specified in UNC for balancing or change of supplier (COS) purpose'.

NGD is concerned that a Supplier or other person does not fall under the recipient category as contained within SSC A31 as currently the UNC does not specify such appropriate persons. Hence the protection afforded by the combination of UNC and SSC A31 is unclear.

NGD believes that the inclusion of specific terms in within the UNC would be helpful to deliver the intent of the SPAA Schedule 23.

Therefore for clarification purposes, it is proposed that an exception be added to the Protected Information provisions in Section V5.5 to facilitate the disclosure by DNOs of Protected Information for change of Supplier purposes to Suppliers and to other persons pursuant to applications made in accordance with the principles contained in the 'Other Users Access' provisions of SPAA Schedule 23.

2 Extent to which implementation of the proposed modification would better

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;

NGD believes that there is insufficient clarity in the legislative and contractual confidentiality requirements to enable DNOs to unambiguously release data as set out in SPAA Schedule 23. Introducing Suppliers and other persons as a class of person permitted under UNC to receive Protected Information as described above would provide absolute clarity regarding disclosure under SSC A31, would meet the requirements of Section 105 of the Utilities Act and fulfil the aspirations of Schedule 23 of SPAA to permit access to data for Suppliers and other persons. Implementation would therefore facilitate SSC 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”.

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;

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

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... 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 subparagraphs (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 implications on security of supply, operation of the Total System or industry fragmentation have been identified.

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

a) Implications for operation of the System:

No such implications have been identified.

b) Development and capital cost and operating cost implications:

Systems implementation costs are expected to be incurred by DNOs. Information on the extent of these has been sought by National Grid Distribution from its service provider.

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 such consequences have 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

Minimises contractual risk by clarifying the circumstances under which DNOs may release Protected Information to Suppliers and other persons.

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

Data service provision is provided via the Transporter's agent's Internet Access to Data (IAD) platform. It is necessary to partition IAD by Supplier to ensure

the Supplier is only able to view data pertinent to itself/its customers. This would be essential to avoid a Supplier viewing the information of another Supplier which utilises the same Shipper.

National Grid Distribution has sought the costs of enhancement which are not expected to be significant.

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)

No such implications are identified.

Development and capital cost and operating cost implications

No such implications are identified.

Consequence for the level of contractual risk of Users

No such consequences are identified.

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

Facilitates compliance by DNOs with SPAA Schedule 23 enabling the provision of change of supplier related data to Suppliers and other persons.

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

Facilitates compliance by DNOs with GT Licence SSC A31 and meets the requirements of Section 105 of the Utilities Act 2000.

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

Advantages

Aligns the UNC with Schedule 23 of the SPAA.

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)

Representations were received from the following parties:

Organisation	Position
National Grid Distribution	Supports
Wales & West Utilities	Supports
Scotia Gas Networks	Supports

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 to enable each Transporter to facilitate compliance with safety or other legislation.

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 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.

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

No programme of works would be required as a consequence of implementing the Modification Proposal.

15 Proposed implementation timetable (including timetable for any necessary information systems changes and detailing any potentially retrospective impacts)

Implementation timescales for this Modification Proposal are contingent on the timing of relevant systems changes. National Grid Distribution advise that a minimum 6 month lead time would be required to facilitate implementation.

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 Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel

At the Modification Panel meeting held on 18 December 2008, of the 8 Voting Members present, capable of casting 10 votes, 10 votes were cast in favour of implementing this Modification Proposal. Therefore the Panel recommend

implementation of this Proposal.

18 Transporter's Proposal

This Modification Report contains the Transporter's proposal to modify the Code and the Transporter now seeks direction from the Gas and Electricity Markets Authority in accordance with this report.

19 Text

Transportation Principal Document Section V

Amend paragraph 5.5.3(g)(h) and (i) to read as follows:

“(g) to a consumer or ~~other relevant party~~ an appropriate person to the extent designated by the authority within Standard Special Condition 31 of the Transporter’s Licence and a supplier shall be an appropriate person pursuant to Standard Special Condition 31((2)(d)(ii) where its application is for the receipt of data for change of supplier purposes;

(h) to another Transporter ...Licence; ~~or~~

(i) to a contractor Paragraph 5-; or

Add paragraph 5.5.3(j) to read as follows:

“(j) to any person pursuant to an application made in accordance with paragraph 7.3 (‘Other User Access’) of Schedule 23, version dated 7 November 2008, contained in the Supply Point Administration Agreement (‘SPAA’) 11th June 2004 made between the parties listed in Schedule 1 of the SPAA.”

For and on behalf of the Relevant Gas Transporters:

Tim Davis
Chief Executive, Joint Office of Gas Transporters