

Modification proposal:	Uniform Network Code (UNC) 0132: 'Clarification of Supply Point Confirmation Notice Requirements for Certain Special Metering Supply Points' (UNC 0132)		
Decision:	The Authority ¹ directs that this proposal be made ²		
Target audience:	The Joint Office, Parties to the UNC and other interested parties		
Date of publication:	15 May 2007	Implementation Date:	To be confirmed by the Joint Office

Background to the modification proposal

Uniform Network Code (UNC) Section G2.5.8 describes the Supply Point Registration Date as part of the Confirmation process. Generally the UNC requires that Supply Points may not become registered (eg transferred as part of the change of supplier process) more than 30 business days and less than 15 business days after the Supply Point Confirmation was submitted. The UNC also provides for some exceptions. UNC 0132 is concerned with the exception described in paragraph G2.5.8(c) of the UNC, which requires that where a Supply Point Offer is received by Batch Transfer Communication, the Supply Registration Date should not be any earlier than 2 months after the Supply Point Confirmation is received.

A Batch Transfer Communication is a data file sent over the UK Link Network. Use of the UK Link accounts for the majority of communications sent between transporters and shippers. As a consequence it was identified that the requirement set out by G2.5.8(c) affects most registrations as they are sent electronically over the UK Link.

Furthermore, the purpose of the restriction described in G2.5.8(c) is for administrative purposes only, ie when supply points are added or removed from a database that records all sites and meters.

The modification proposal

UNC 0132 seeks to clarify the circumstances for registering a Supply Point by amending Section G2.5.8. In particular the modification amends Section G2.5.8(c) so that only sites that are becoming or ceasing to be a Special Metering Supply Point (ie they are either being added or removed from the sites and meters database) are constrained by the restriction that registration (eg the transfer of a supply point from one shipper to another) must be no earlier than 2 months following the date upon which the confirmation was made. All other registrations will be subject to the other circumstances described in Section G2.5.8.

UNC Panel³ recommendation

At its meeting on 19 April 2007 the UNC Modification Panel voted unanimously in favour of implementing UNC 0132.

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

² This document is notice of the reasons for this decision as required by section 38A of the Gas Act 1986.

³ The UNC Panel is established and constituted from time to time pursuant to and in accordance with the UNC Modification Rules

The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report (FMR) dated 19 April 2007. The Authority has also considered and taken into account the responses to the Joint Office's consultation on the modification proposal which are attached to the FMR⁴ and has concluded that:

1. implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the UNC⁵; and
2. directing that the modification be made is consistent with the Authority's principal objective and statutory duties⁶.

Reasons for the Authority's decision

The Joint Office received six responses to its consultation on this proposal and all of them supported its implementation. A common theme amongst respondents was that implementation of this proposal would improve the clarity of the requirements for Supply Point Confirmations. It was generally considered that this would increase regulatory certainty and would therefore facilitate effective competition between shippers.

Two of the GT respondents clarified that the specific characteristics of Special Metering Supply Points (otherwise known as 'unique sites') required a two month notice period in order to complete the necessary transactions. However, they confirmed this does not apply to other sites.

Ofgem shares the views of the UNC Modification Panel and of those who responded to the Modification Report consultation that the modification will better facilitate the achievement of the relevant objectives of the UNC. In particular, in clarifying the process for registering supply points we consider that the proposal will further facilitate relevant objective d) the securing of effective competition between relevant shippers.

Decision notice

In accordance with Standard Special Condition A11 of the Gas Transporters Licence, the Authority, hereby directs that modification proposal UNC 0132 'Clarification of Supply Point Confirmation Notice Requirements for Certain Special Metering Supply Points' be made.



Philip Davies
Director, GB Markets

Signed on behalf of the Authority and authorised for that purpose

⁴ UNC modification proposals, modification reports and representations can be viewed on the Joint Office of Gas Transporters website at www.gasgovernance.com

⁵ As set out in Standard Special Condition A11(1) of the Gas Transporters Licence, see: http://epr.ofgem.gov.uk/document_fetch.php?documentid=6547

⁶The Authority's statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Gas Act 1986.