

Modification Report
Amendments to facilitate the unbundling of Supply Meter ownership and associated works in
accordance with the Review of Gas Metering Arrangements (RGMA)
Modification Reference Number 0672
Version 1.0

This Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 8.9.3.

1. The Modification Proposal

Modification of the Network Code is required to support competition in supply metering. The following areas are addressed by this Modification Proposal:

- Amendments to the definition of a Supply Meter Installation.

Changes to sections M1.2 and M1.3 are required which relate primarily to removal of the terms 'Daily Read Equipment' and 'Meter Housings' from the definition of a Supply Meter Installation.

- Removal of provisions relating to Transco providing a Supply Meter Installation.

Transco currently has obligations to provide, install, repair and maintain Supply Meters on behalf of Registered Users. These are contained within section M2.2. It is proposed that these provisions be removed as it is intended that Transco's commercial arrangements associated with Supply Meters will be discharged through separate metering contracts. Miscellaneous changes are also required to section M2.1 to ensure consistency with this approach.

- Amendment of Meter by-pass provisions.

Amendment is required to place the decision on whether a meter by-pass is fitted with the Registered User and to remove references to the Meter by-pass policy (which will be replaced by new provisions governing bypass installation and use within the proposed Codes of Practice for Meter Asset Managers). Inclusion of provisions to allow Registered Users to permit alternative short term means of by-passing the meter are required and amendment to the notification procedures and calculation methodology to determine the amount of gas offtaken while a bypass or alternative arrangement is in operation, is necessary.

- Removal of provisions relating to Transco undertaking Siteworks to modify or replace Supply Meter Installation.

Amendment of the Siteworks definition (G7.1.1) is required to exclude works on the Supply Meter Installation.

- Miscellaneous updates to references to metering legislation/safety.

A number of updates to references to relevant legislation (including safety) contained within Section M2.1 are required.

- Other miscellaneous changes.

Minor amendments are required to the Prepayment Meter provisions contained within section M2.5.

2. Transco's Opinion

This Modification Proposal is one of a suite of, and is complimentary to, seven relating to the Review of Gas Metering Arrangements (RGMA) programme and numbered 0672 - 0678.

It is Transco's opinion that this Modification Proposal should be implemented.

To ensure consistency with one of the original objectives of the Review of Gas Metering Arrangements (RGMA) project to facilitate competition in metering, Transco intends to separate its metering activity from its transportation activity and develop new systems and contracts in support of this. The scope and timing of these changes have been the subject of consultation by Ofgem and discussion at various industry groups within the remit of the RGMA programme.

Whilst Transco's Gas Transporters' licence will continue to contain conditions relating to metering services, these will be provided via separate contracts, systems and processes. Changes to the Network Code, which at present contains provisions relating to the provision, installation and maintenance of supply meters by Transco, are therefore necessary to facilitate this requirement. The changes contained within the 'Nature of Proposal' section (above) have been identified by the Meter Asset/Work Unbundling sub-group of the Supply Point & Billing Workstream.

3. Extent to which the proposed modification would better facilitate the relevant objectives

The purpose of this Modification Proposal is to reflect within the Network Code the separation of Transco's transportation and supply metering activities. This measure is consistent with Transco's GT Licence Relevant Objective of securing effective competition between relevant shippers and between relevant suppliers.

4. The implications for Transco of implementing the Modification Proposal , including **a) implications for the operation of the System:**

No implications for the operation of the system have been identified.

b) development and capital cost and operating cost implications:

Transco would incur significant costs in amending its UK-Link system.

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

Transco does not propose any additional cost recovery.

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 to Transco under the Network Code as modified by the Modification Proposal

Implementation of this Modification Proposal would not increase the level of Transco's contractual risk.

6. The development implications and other implications for computer systems of Transco and related computer systems of Users

Transco would be required to make changes to its UK Link system to facilitate implementation of this Modification Proposal.

7. The implications of implementing the Modification Proposal for Users

Users would be required to make changes to their computer systems and supporting processes/procedures.

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

No such implications have been identified.

9. Consequences on the legislative and regulatory obligations and contractual relationships of Transco and each User and Non-Network Code Party of implementing the Modification Proposal

The measures identified within this Modification Proposal are consistent with Transco's metering obligations contained within the GT Licence.

It should be noted that a key pre-requisite for implementation of this Modification Proposal would be the timely establishment of relevant new metering contracts between Transco and suppliers. This will ensure that Transco is able to maintain its GT Licence metering obligations.

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

Advantages:

- Facilitates removal of redundant metering provisions from the Network Code in anticipation of the implementation a new metering contractual regime between Transco and suppliers.
- Ensures Users' obligations in relevant areas such as utilisation of meter by-passes are clear.

Disadvantages:

No disadvantages have been identified.

11. Summary of the Representations (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)

Four representations were received with respect to this Modification Proposal. Three respondents express support for its implementation and one does not express a view.

One respondent has provided comments relating to the legal text. These are detailed below with Transco's response:

Provision	Comment
G7.1(b)(iv)	Delete “;or” – replace with full stop. <u>'or' is required - see drafting for Mod 0674 - new section G7.1.1(b)(v).</u>
M2.1.2(a)	Add “(where required)” at the end of this provision. <u>Transco does not agree – all meters must be stamped re Gas Act Section 17</u>
M2.1.6.	<i>This is not in the Business Rules – is this agreed?</i> <u>Issue was discussed within Meter Asset/Work sub-group at late stage. Reference replaces ‘IGE recommendations’ which are no longer relevant.</u>
M2.1.8	Add “and” after “paragraph 3”. <u>Transco agrees – drafting has been changed.</u>
M2.2.1 (old M2.2.7)	The words “until such time as the fault has been rectified” have not been included in accordance with the Business Rules. <u>This was discussed again at a late stage in the Asset/Work sub-group. It was identified that (i) & (ii) are no longer relevant or needed.</u>

M2.4.5(a)	<p>“Annual Quantity” is the defined term.</p> <p><u>Transco agrees – drafting has been changed.</u></p>
M2.4.5	<p>In the final paragraph, reference should be to “paragraph 2.4.4(a) or (b).</p> <p><u>Transco does not agree – the actual ‘notification’ is under (b).</u></p> <p>Should the reference in this paragraph and in 2.4.6 be to “Metered volume” rather than “Metered Quantity” (as $MQ = MV \times \text{calorific value}$).</p> <p><u>Transco agrees with respect to M2.4.6 only – drafting will be changed (M2.4.5 is pertinent to the NDM AQ and is an energy kWh value – so Metered Quantity is correct).</u></p>
Business Rule 11	<p>The last bullet point re DRE has not been added.</p> <p><u>See Modification Proposal 0674 - Section G7.1.1(b)(v).</u></p>
Business Rule 12	<p><u>Transco believes that the legal text reflects these changes. Section 8 is incorporated in the drafting for Meter Information (Modification Proposal 0673 - M3.2).</u></p>

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

Implementation is not required to facilitate such compliance.

13. The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 4(5) or the statement furnished by Transco under Standard Condition 4(1) of the Licence

This Modification Proposal is not required to facilitate any such change.

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

Transco would be required to make changes to its UK Link system to facilitate implementation of this Modification Proposal.

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

This Modification Proposal should be implemented effective from 12 July 2004, being the RGMA 'cutover' date.

16. Recommendation concerning the implementation of the Modification Proposal

Transco recommends that this Modification Proposal be implemented.

17. Restrictive Trade Practices Act

If implemented this proposal will constitute an amendment to the Network Code. Accordingly the proposal is subject to the Suspense Clause set out in the attached Annex.

18. Transco's Proposal

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

19. Text

Section G - SUPPLY POINTS

7 NEW SUPPLY METER POINTS AND OTHER SITEWORKS

7.1 General

7.1.1 For the purposes of the Code:

- (a) a **"New Supply Meter Point"** is a new Supply Meter Point;
- (b) **"Siteworks"** means works undertaken by Transco at the request of a User or other person in connection with the System for the purposes of:
 - (i) the establishment of a New Supply Meter Point;
 - (ii) enabling an increase in the rate or pressure at or quantities in which it is feasible to make gas available for offtake from the System at an existing Supply Meter Point;
 - (iii) modifying or replacing ~~the Supply Meter Installation (at an existing Supply Meter Point and/or any part of the System located on the Supply Point Premises (but not the Supply Meter Installation at an existing Supply Meter Point);~~
 - ~~(iv) undertaking an Isolation (in accordance with paragraph 3.5.4) or reconnecting any Supply Meter Point which has been Isolated;~~
 - ~~(iv) (v)~~ enabling the Firm Transportation Requirement (in accordance with paragraph 6.3.4) to be satisfied in respect of an Interruptible Supply Point, or a reduction in the Interruption Allowance in respect of a TNI Supply Point to be secured; or
- (c) Siteworks under paragraph (b)(i) may be:
 - (i) for the construction and/or installation (and connection to the System) by Transco of the ~~Supply Meter Installation and/or~~ service pipe or any part thereof (but not the Supply Meter Installation); or
 - (ii) for the purposes of making a connection to the System of any ~~new Supply Meter Installation and/or~~ service pipe constructed or installed by any other person: (but not the new Supply Meter Installation).
- 7.1.2 In respect of any Siteworks:
 - (a) the **"Siteworks Applicant"** is the User or other person who has requested that the Siteworks be undertaken;
 - (b) the **"Siteworks Contract"** is the contract between Transco and the Siteworks Applicant under which Transco is to undertake the Siteworks;
 - (c) the **"Completion Date"** is the date of substantial completion (as defined or described in the Siteworks Contract) of the Siteworks;
 - (d) the **"Target Completion Date"** means the intended Completion Date of the Siteworks as specified in or determined under the Siteworks Contract.
 - (e) **"Connections Work"** is the connection of the service pipe (or any part thereof) for the establishment of a New Supply Meter Point on to the System.

(f) "**Meter Fix Date**" is the date which has been notified to Transco as the date upon which a Supply Meter has been installed at a New Supply Meter Point.

7.1.3 Where the Siteworks Applicant is a User the Siteworks Contract shall not (unless it expressly provides to the contrary) be an Ancillary Agreement and does not form a part of and is not incorporated into the Code.

7.1.4 Where the Siteworks Applicant is not the Registered User of the relevant Supply Meter Point:

(i) (a) nothing in the Code shall make the Registered User liable for any payment becoming due under the Siteworks Contract;

(ii) (b) Transco will have no liability to the Registered User in respect of any breach of the Siteworks Contract.

7.1.5 The Registered User of a Supply Meter Point will not be liable for any breach of the Code which results from a breach by Transco of a Siteworks Contract relating to that Supply Meter Point.

7.2 Siteworks Terms and Procedures

7.2.1 Transco will from time to time publish Siteworks Terms and Procedures applicable to different types of Siteworks or Siteworks in relation to different Supply Meter Points.

7.2.2 "**Siteworks Terms and Procedures**" means the procedures by which and terms and conditions on and subject to which a User or other person may request Transco to provide a quotation (where the price is not published) for and to undertake Siteworks and a Siteworks Contract may be entered into.

7.2.3 Siteworks Terms and Procedures do not form a part of the Code; and (without prejudice to any Legal Requirement applying to Transco) nothing in the Code requires Transco to undertake any Siteworks or to do so on any particular terms.

7.2.4 Transco agrees to give to Users notice:

(i) (a) of not less than 2 months of any change in published prices of Siteworks;

(ii) (b) of not less than 3 months of any other change to contract terms contained in Siteworks Terms and Procedures (other than the addition of terms and procedures for a type of Siteworks not previously covered).

Section M - SUPPLY POINT METERING

1 GENERAL

1.1 Introduction

This Section M contains provisions for the metering of the offtake of gas from the System at Supply Meter Points and the determination pursuant to such metering of the quantities so offtaken.

1.2 Supply Meter Installation

1.2.1 Paragraph 2 sets out requirements in respect of the installation of meters and other equipment at Supply Meter Points.

1.2.2 For the purposes of the Code, in relation to a Supply Meter Point:

(i) ~~(a)~~ the **"Supply Meter Installation"** is the meter and associated equipment and installations installed or to be installed at a consumer's premises, including associated pipework, regulator ~~(other than in the case of an NTS Supply Meter Point)~~, filters, valves, seals, ~~housings~~ and mountings;

(ii) ~~(b)~~ the **"Supply Meter"** is the meter comprised in the Supply Meter Installation.

1.2.3 A Supply Meter Installation includes (where installed pursuant to this Section M) any meter by-pass (under paragraph 2.4) ~~and Daily Read Equipment (under paragraph 4)~~ and/or any convertor (where installed pursuant to the Gas (Calculation of Thermal Energy) Regulations 1996).

1.2.4 ~~For the purposes of this Section M "Meter Installation Works" means the installation, testing, maintenance, repair, exchange or replacement of a Supply Meter Installation or any part thereof. Not Used~~

1.2.5 Subject to paragraph 1.7, references in this Section M to the Registered User in the context of a Supply Meter Installation or a Supply Meter are to the Registered User of the Supply Meter Point at which it is installed.

1.3 Daily Read and Non-Daily Read Supply Meters

1.3.1 Subject as provided in Sections G1.5.5 and G1.5.6, a Supply Meter is a **"Daily Read"** Supply Meter where Daily Read Equipment is ~~installed as a part of~~ connected to the Supply Meter Installation and has become operational in accordance with paragraph 4.1.7.

1.3.2 The circumstances in which a Supply Meter is required to be, or otherwise may be, Daily Read are set out in Section G1.5.

1.3.3 A Supply Meter which is not a Daily Read Supply Meter is a **"Non-Daily Read"** Supply Meter.

1.4 Meter Reading

1.4.1 The requirements of the Code for obtaining Meter Readings:

(i) ~~(a)~~ from Non-Daily Read Supply Meters are set out in paragraph 3;

(ii) ~~(b)~~ from Daily Read Supply Meters are set out in paragraph 4.

1.4.2 For the purposes of this Section M, in relation to a User a **"Relevant"** Supply Meter is the Supply Meter at a Supply Meter Point comprised in a Supply Point of which the User is the Registered User.

1.4.3 For the purposes of the Code, in relation to a Supply Meter:

(a) a **"Meter Reading"** is:

(i) the reading of the index of the Supply Meter, and

(ii) where a convertor is installed as described in paragraph 1.2.3, the converted and the unconverted readings of the convertor;

except that where Daily Read Equipment and such a convertor are installed, a Meter Reading need not include both the reading under paragraph (i) and the unconverted reading under paragraph (ii);

(b) a **"Meter Read"** is the obtaining (by appropriate means) of a Meter Reading and in the case of a Non-Daily Read Supply Meter the further details required pursuant to paragraph 3.3.1;

(c) an **"On-site Meter Read"** is a Meter Read undertaken by a person visiting the Supply Point Premises (as opposed to an automated meter read);

(d) a **"Customer Read"** is a Meter Reading in respect of a Supply Meter obtained by inspection of the Supply Meter by the owner or occupier of the Supply Point Premises (and not by inspection by a Meter Reader or automated meter read);

(e) except in the case of a Meter Reading obtained by Daily Read Equipment, a Meter Reading obtained at any time on a given Day shall be treated as obtained at the start of that Day.

1.4.4 In relation to a Meter Read:

(a) the **"Metered Volume"** is the volume (converted for temperature and pressure in accordance with the Gas (Calculation of Thermal Energy) Regulations 1996) of gas determined as having been offtaken at the Supply Meter Point during:

(i) in the case of a Non-Daily Read Supply Meter, the Meter Reading Period (as defined in paragraph 3.1.7(e)(ii)); or

(ii) in the case of a Daily Read Supply Meter or a Supply Meter at a DM Supply Meter Point the relevant Day or other period in accordance with paragraph 4;

(b) the **"Metered Quantity"** is the quantity determined by multiplying the Metered Volume by the applicable calorific value.

1.4.5 A **"Meter Reader"** is a person appointed to undertake Meter Reads in respect of a Supply Meter.

1.5 Validation

1.5.1 Meter Readings are required (for the purposes of the Code) to be subjected to validation.

1.5.2 For the purposes of this Section M **"validation"** means the testing, by tolerance checking in accordance with and for the purposes described in the Network Code Validation Rules (as applicable in respect of the relevant Supply Meter and Meter Reading), of the validity of the Meter Reading.

1.5.3 The **"Network Code Validation Rules"** are the rules and procedures contained in the document dated 1st March 1996 issued by Transco and so entitled, as from time to time amended, after consultation with the Network Code Committee or any relevant Sub-committee, by Transco upon notice of not less than 3 months to Users, unless the Director shall, upon application by any User made within one month after such notice, give Condition 7(4) Disapproval to Transco's making any particular such amendment.

1.6 IGE Recommendations

In this Section M **"IGE Meter Recommendation"** means any recommendation or standard from time to time issued or updated by the Institute of Gas Engineers in respect of the nature, type, design,

specification or manufacture of any Supply Meter Installation or part thereof (which do not form a part of the Code).

1.7 Shared Supply Meter Points

1.7.1 All of the Sharing Registered Users shall be responsible jointly for the performance of the obligations and responsibilities of a User under this Section M in respect of a Shared Supply Meter Point.

1.7.2 The amount payable under paragraph 4.1.6 in respect of Daily Read Equipment installed at a Shared Supply Meter Point will be payable in equal parts by the Sharing Registered Users.

1.8 ~~Sub-deduct arrangements~~ Not Used

~~The provisions of this Section M apply in respect of each Sub-deduct Supply Meter Point in accordance with and subject to Section G1.8.~~

1.9 Ownership of meter reading data

1.9.1 Section V5.8 applies in respect of the ownership of data relating to Meter Readings.

1.9.2 Each User shall secure that its arrangements with any Meter Reader are consistent with Section V5.8.

1.10 Meter error

1.10.1 Where a meter examiner finds (in accordance with paragraph 4(3) of the Gas Code) or Transco or a User believes that a Supply Meter is or has been registering erroneously, without prejudice to Section E1.9.2 the relevant adjustment shall be made:

(i) ~~(a)~~ in the case of a Non-Daily Read Supply Meter, as an adjustment in respect of the Metered Quantity for the purposes of NDM Reconciliation pursuant to Section E6 (and accordingly since the date of the preceding Valid Meter Read);

(ii) ~~(b)~~ in the case of a Daily Read Supply Meter, by way of DM Reconciliation on the basis that the adjusted Meter Reading is treated as an Annual Check Read (irrespective of the period since the preceding Annual Check Read) in accordance with paragraph 4.7.

1.10.2 The relevant adjustment is an adjustment in respect of the amount by which it is determined that the Supply Meter has over- or under-registered the volume of gas offtaken from the System at the relevant Supply Meter Point, which amount shall be:

(a) in the case under paragraph 4(3) of the Gas Code, ascertained on the basis described in that paragraph;

(b) except as in paragraph (a):

(i) the amount agreed by Transco and the User, or

(ii) if either Transco or the User shall so require, determined by Expert Determination.

1.10.3 Paragraphs 1.10.1~~(i)~~(a) and ~~(ii)~~(b) are without prejudice to the period for which it may be agreed or determined that the Supply Meter has been registering erroneously.

1.10.4 Transco may issue guidance for assisting with the agreement of adjustment amounts under paragraph 1.10.2(b)(i), but any such guidance shall not be binding on any User or Transco.

1.11 Business Day

In this Section M Business Day shall have the same meaning as in Section G1.10.

2 SUPPLY METER INSTALLATION

2.1 Supply Meter and other equipment

2.1.1 The Registered User shall ~~(subject to paragraph 2.2)~~ secure that at each Supply Meter Point (other than a Supply Meter Point which has been Isolated) there is installed, operated and maintained in proper working order, for registering the volume of gas offtaken from the System at the Supply Meter Point, a Supply Meter Installation,:

~~(i) complying with the requirements of paragraph 2.1.2, and located at a point in accordance with paragraph 2.1.3, and~~

~~(ii) including such further equipment (including Daily Read Equipment and any convertor) as may be required in accordance with the further provisions of this Section M.~~

2.1.2 The Registered User shall ensure that ~~T~~ the Supply Meter Installation shall:

(a) be of a type and standard of design and accuracy complying with, and shall be installed in compliance with, the IGE Meter Recommendations, the Gas (Meters) Regulations 1983, the Gas Safety (Installation and Use) Regulations ~~1994~~ 1998 and any other applicable Legal Requirements, as in force at the date of installation of the Supply Meter Installation, and shall be stamped in accordance with Section 17 of the Act;

(b) include such equipment (including any convertor) as may be required in accordance with the further provisions of Section M.

2.1.3 The point at which the Supply Meter Installation is to be installed shall be such point as shall be required by or shall be in accordance with paragraph 5 of the Gas Code and the Gas Safety (Installation and Use) Regulations ~~1994~~ 1998.

2.1.4 For the avoidance of doubt, but without prejudice to the requirements of paragraph 2.1.1, the Supply Meter shall be the meter referred to in the Gas Code, and may be provided and owned by a person and/or installed by a person other than the Registered User.

2.1.5 Nothing in this Section M prevents a User from securing that a Supply Meter Installation conforms to higher standards than are (or provides any function in addition to what is) required pursuant to paragraph 2.1.2.

~~2.1.6 As contemplated by the IGE Meter Recommendations, ~~t~~The design and specification of certain Supply Meter Installations (where required to be installed) will need to be agreed with Transco on a case by case basis in accordance with Transco T/PR/GT2 and comply with the relevant Ofgem Codes of Practice.~~

2.1.7 Supply Meter Installations installed as at the date of the Code and before the Metering Separation Date shall be deemed (for the purposes of the Code) to comply with the requirements of paragraphs 2.1.2 and 2.1.3, provided that this shall not prejudice any requirement for the installation of a different

Supply Meter Installation arising by reason of a change in the nature of or the use of the Consumer's Plant after the Supply Meter Installation was installed.

2.1.8 Whenever a Supply Meter Installation is replaced or modified ~~(other than by Transco pursuant to paragraph 2.2)~~ the Registered User shall provide to Transco, Meter Information in accordance with paragraph 3 and such information concerning the replacement or modification, within such period, as Transco may reasonably prescribe.

2.1.9 In respect of each Supply Meter Point at which the Daily Read Requirement applies, the Registered User will ensure that the Supply Meter Installation will be suitable and will remain suitable to enable the attachment, installation, maintenance and continuing operation of the Daily Read Equipment. This will require the Supply Meter to incorporate a port (Interface) capable of indicating a pulse representing a discrete amount of gas (usually 0.1, 1, 10, 100 or 1000 units) dependent on the make and size of meter, being a port on the Supply Meter providing such indication by cyclic changes in the electrical resistance across such port or otherwise (including but not limited to ports known as "R5").

2.1.10 The Registered User shall take all reasonable steps to secure that any notice affixed for safety reasons to the Supply Meter Installation shall not be removed or defaced.

2.1.11 Where in the opinion of Transco the Supply Meter Installation is unsafe or is in imminent risk of becoming unsafe then Transco will be entitled to take any steps to make the Supply Meter Installation safe.

2.1.12 "Transco T/PR/GT2" is the Transco Procedure for Obtaining Authorisation for the Setting and Sealing of the Meter Regulator and any Associated Pressure Control and Protection Device(s) associated with the Gas Supply Meter Installation.

"Ofgem Codes of Practice" is as appropriate:

(a) Ofgas COP/1a: Code of practice for low-pressure diaphragm and electronic meter installations with badged meter capacities not exceeding 6m3/hr:

(b) Ofgas COP/1b: Code of Practice for low pressure diaphragm and rotary displacement meter installations with badged meter capacities exceeding 6m3/hr (212ft3/hr) but not exceeding 1076m3/hr (38,000 ft3/hr):

(c) Ofgas COP/1c: Code of practice for all high pressure and other low-pressure meter installations not covered by COP/1a or COP/1b.

2.2 Provision by Transco Failure of Supply Meter Installation

~~2.2.1 This paragraph 2.2 applies where Transco provides or has provided (whether before or after the date of the Code) the Supply Meter Installation or any part of it.~~

~~2.2.2 Where this paragraph 2.2 applies, except as Transco may otherwise agree in an Ancillary Agreement with the Registered User:~~

~~(a) subject to paragraphs (d) and (e) and to paragraphs 2.2.4 and 2.5.1, Transco will be responsible for securing (on behalf of the Registered User) the provision, installation (in accordance with paragraph 2.1.2), maintenance, repair, exchange and replacement of the Supply Meter Installation or relevant part of it provided by Transco within a reasonable time after a request to do so and subject to payment of appropriate charges in accordance with the Metering Charges Statement;~~

~~(b) Not Used~~

~~(c) the Registered User shall secure that there are made available (without charge to Transco) at the Supply Point Premises:~~

~~(i) a suitable site (at a location complying with paragraph 2.1.3) at the Supply Point Premises, and suitable support, protection and security, for the Supply Meter Installation;~~

~~(ii) supplies of power, water and drainage as appropriate for the Supply Meter Installation;~~

~~(iii) such access, at all reasonable times and in any event between 08:00 and 17:00 hours on any Business Day, to the Supply Point Premises as shall be required to enable Transco to carry out all Meter Installation Works required pursuant to paragraph (a);~~

~~(d) the Registered User shall take all reasonable steps to secure that the Supply Meter Installation is not damaged or otherwise mistreated;~~

~~(e) ownership of the Supply Meter Installation shall remain with Transco (or any person to whom Transco may transfer ownership); and the Registered User shall take all reasonable steps to secure that any notice to that effect affixed thereto by Transco shall not be removed or defaced.~~

~~2.2.3 Nothing in paragraph 2.2.2 requires Transco:~~

~~(i) to replace any part of a Supply Meter Installation other than where such replacement is necessary as a result of the failure (including by reason of damage, normal wear or tear or defective design or manufacture) thereof;~~

~~(ii) to carry out any Meter Installation Works other than for the purposes of maintaining or repairing or (where required under paragraph (i)) replacing a Supply Meter Installation or part thereof provided by Transco;~~

~~(iii) except in the case of routine maintenance, to carry out any Meter Installation Works until reasonable notice has been given to Transco of the requirement for such works.~~

~~2.2.4 Meter Installation Works carried out by Transco for the purposes of maintaining, repairing or (where required having regard to paragraph 2.2.3(i)) replacing any part of a Supply Meter Installation to which this paragraph 2.2 applies will not be Siteworks for the purposes of Section G7.~~

~~2.2.5 Any Meter Installation Works which any person may request Transco to carry out other than as required under paragraph 2.2.2, including:~~

~~(i) the provision of a Supply Meter Installation at a Supply Meter Point where Transco was not previously providing the Supply Meter Installation or at a New Supply Meter Point;~~

~~(ii) the provision of a new Supply Meter Installation at a Supply Meter Point where by reason of a change in the nature or extent of the consumer's requirements for the supply of gas the existing Supply Meter Installation no longer complies with the requirements of paragraphs 2.1.2 and 2.1.3,~~

~~will be Siteworks subject to and in accordance with Section G7.~~

~~2.2.6 Nothing in this Section M prevents Transco from providing at the request of the consumer or supplier a Supply Meter Installation which conforms to higher standards than are (or provides any function in addition to what is) required pursuant to paragraph 2.1.2, provided that (unless the Registered User has otherwise agreed) the amount of the Customer Charge payable (as described in paragraph 2.2.2(b)) by the Registered User will not thereby be increased.~~

~~2.2.7 2.2.1 Where as a result of any failure or defect in any Supply Meter Installation provided by Transco gas cannot be offtaken from the System at the relevant Supply Meter Point, and except where Section~~

J4.4.5(b) applies, Transco will not be in breach (by reason thereof) of its obligation to make gas available for offtake from the System. ~~until:~~

~~(i) written notice of such failure, defect or requirement has been given to Transco, and~~

~~(ii) the expiry after such notice of a reasonable period for Transco to carry out the required Meter Installation Works.~~

2.3 Interference with meters and meter by-pass utilisation

The Registered User shall take all reasonable steps to ensure that:

~~(i) (a) no person improperly breaks any seal affixed to any part of the Supply Meter Installation or tampers or otherwise interferes with any Supply Meter Installation, utilises a meter by-pass other than as permitted by T/PR/GT3, or utilises a temporary alternative arrangement;~~

~~(b) upon each visit to the Supply Point Premises by any representative of that User or the supplier, or by any person engaged (by that User, the supplier or the consumer) to obtain an On-site Meter Read, there is promptly reported to Transco any evidence which is or ought (having regard to the purposes for which such person is visiting the premises) to be apparent to such representative or person of the breaking of any such seal or of any such tampering or interference (including any activated tamper alarm) or otherwise of theft or attempted theft of gas, or the utilisation of a meter by-pass other than as permitted by T/PR/GT3, or the utilisation of a temporary alternative arrangement.~~

2.4 Meter By-pass

2.4.1 In the circumstances permitted by the Registered User in accordance with T/PR/GT3 the Meter By-pass Policy (but not otherwise) a meter by-pass may be installed (as a part of the Supply Meter Installation), or a temporary alternative arrangement may be utilised, at a Supply Meter Point.

2.4.2 2.4.2 For the purposes of the Code:

~~(a) A "meter by-pass" is any pipe, and associated gas fittings used in connection with it, used to supply gas to a consumer without passing through the Supply Meter, and thereby secure the continued offtake of gas at the Supply Meter Point, in the event of any failure of, or any work on, part of the Supply Meter Installation which would impede the flow of gas through the Supply Meter. an installation by means of which the consumer may divert the flow of gas, so as not to pass through the Supply Meter, and thereby secure the continued offtake of gas at the Supply Meter Point, in the event of any failure of part of the Supply Meter Installation which would impede the flow of gas through the meter;~~

~~(b) a "temporary alternative arrangement" is an arrangement other than by means of a meter by-pass to temporarily enable the flow of gas to the premises of a consumer without measurement by a Supply Meter.~~

~~(c) "T/PR/GT3" is the document entitled Procedure for Meter By-pass Provision, Use and Approval relating to the installation and utilisation of meter by-passes, as published by Transco from time to time.~~

2.4.3 Where the Registered User has permitted ~~a~~ A meter by-pass ~~shall not to~~ be installed, ~~or temporary alternative arrangement to be utilised,~~ at a Supply Meter Point ~~unless the Registered User has first given to Transco notice it shall notify Transco as soon as reasonably practicable following of such installation or utilisation in accordance with the Meter By-pass Policy.~~

2.4.4 Where a meter by-pass is installed, or a temporary alternative arrangement utilised, at a Supply Meter Point then in the event of a cessation of use:

(a) within 2 Business Days following the Day on which such discontinuance occurred, the Registered User shall notify Transco of the following information:

(i) the MPRN;

(ii) the Shipper ID;

(iii) the type of Supply Meter Point (identified as an NDM Supply Meter Point or DM Supply Meter Point);

(iv) the date on which the meter by-pass was opened or the temporary alternative arrangement commenced;

(v) the time at which the meter by-pass opened or the temporary alternative arrangement commenced;

(vi) the Meter Reading at the time on which the meter by-pass opened or the temporary alternative arrangement commenced;

(vii) the date on which the meter by-pass was closed or the temporary alternative arrangement ceased;

(viii) the time on which the meter by-pass was closed or the temporary alternative arrangement ceased;

(ix) the Meter Reading at the time on which the meter by-pass was closed or the temporary alternative arrangement ceased;

(b) within 15 Business Days following the Day on which cessation occurred, the Registered User shall notify Transco of its estimate of gas used in accordance with paragraph 2.4.5 or 2.4.6, where such estimate is 10,000kWh (340 therms) or greater.

2.4.5 Where a meter by-pass is open or the temporary alternative arrangement is in use on any Day at an NDM Supply Meter Point, subject to paragraph 2.4.7:

(a) an estimate of the gas offtaken for each such Day will be calculated by the Registered User by dividing the Annual Quantity for such NDM Supply Meter Point by 365;

(b) for less than one Day, the estimate of the gas offtaken for such part Day will be calculated by the Registered User by dividing the estimate generated for such Day in accordance with paragraph (a) by 24 to produce an hourly estimate which will in turn be multiplied to the nearest whole number by the number of hours during such Day that the meter by-pass was open;

and on receipt of the next Valid Meter Reading, any estimates notified to Transco in accordance with paragraph 2.4.4(b) will be used by Transco as the Metered Quantity for such Day(s) in order to calculate the NDM Reconciliation Quantity.

2.4.6 Where a meter by-pass is open or a temporary alternative arrangement commences on any Day at a DM Supply Meter Point, subject to paragraph 2.4.7:

(a) an estimate of the gas offtaken for each such Day will be calculated on the basis that the Metered Volume for such Day shall be assumed to be the same as the Metered Volume for the same Day in the immediately preceding week;

(b) for less than one Day, the estimate for such part Day will be generated by dividing the estimate calculated for such Day in accordance with paragraph (a) by 24 to produce an hourly estimate which will in turn be multiplied to the nearest whole number by the number of hours during such Day that the meter by-pass was open, or the temporary alternative arrangement was utilised;

and on receipt of the next Valid Meter Reading, any estimates notified to Transco in accordance with paragraph 2.4.4 (b) will be used by Transco as the Metered Volume for such Day(s) in order to calculate the DM Reconciliation Quantity.

2.4.7 Where information is available Transco or the Registered User to ascertain a more accurate estimate of the gas offtaken, such information will be used for such purpose in substitution of the estimate derived by paragraphs 2.4.5 or 2.4.6.

2.4.8 Such estimate of gas will be used by Transco to calculate and adjust the quantities of gas treated as offtaken from the System by the Registered User during the period of the utilisation of the meter by-pass or temporary alternative arrangement at Larger Supply Points for the purpose of individual NDM Reconciliation or (where applicable) DM Reconciliation save that no adjustment will be made in respect of the determination of any UDQO of the User or for any other purpose.

2.4.9 The Registered User will ensure that:

(a) the meter by-pass is resealed promptly;

(b) further use of the temporary alternative arrangement is no longer possible;

following cessation of its use.

2.4.4 Where a meter by pass is installed at a Supply Meter Point:

(a) the Registered User shall secure that the supplier and the consumer are fully informed of the Meter By-pass Policy;

(b) the Registered User shall take all reasonable steps to secure that:

(i) the meter by pass is utilised only in the circumstances permitted in and in accordance with the procedures required by the Meter By-pass Policy, and that its utilisation is discontinued, and (except where the Supply Meter Installation is provided by Transco, in which case notification to Transco in accordance with paragraph (ii) shall be sufficient) the Supply Meter Installation is repaired or replaced, at the earliest possible time in accordance with such policy;

(ii) upon the utilisation of the meter by-pass the consumer records the time at which it is utilised and the reading of the index of the Supply Meter, and gives notice to Transco and to the Registered User, in accordance with the requirements of the Meter By-pass Policy;

(c) on any Day on which the meter by-pass is utilised, the volume of gas offtaken through the meter by-pass shall be estimated in accordance with the Meter By-pass Policy and such estimated volume will be added to the Metered Volume determined in the next following Meter Read.

2.4.5 For the purposes of the Code, "Meter By-pass Policy" means the policy and rules issued by Transco, as from time to time revised after consultation with the Network Code Committee or any relevant Sub-Committee and after not less than 3 months notice of such revision to Users, for the purposes of this paragraph 2.4; provided that where any Recognised Standard relating to the matters governed by such Policy is adopted or published by any body Transco may notify Users that such Recognised Standard shall be the Meter By-pass Policy in substitution for the policy issued by Transco.

2.4.6 Transco or the Registered User shall take all reasonable steps to comply with the Meter By-pass Policy insofar as such policy provides for anything (in the case of the User, beyond what is provided in paragraph 2.4.4) to be done by either of them.

2.5 Prepayment meters

2.5.1 Where ~~paragraph 2.2 applies and~~ the Supply Meter Installation ~~provided by Transco~~ includes a prepayment installation:

- (a) the Registered User will be responsible for making arrangements for payment collection (including emptying or replacement of coin or token boxes or arrangements with any issuer of payment tokens or cards), and for remedying faults resulting from the abuse or defective use of the prepayment installation;
- (b) any theft or other loss in respect of monies representing payments made into the prepayment facility will be for the User's account and Transco will have no responsibility to the User or supplier or consumer therefor.

2.5.2 Where:

~~(i) (a)~~ a Supply Meter Installation ~~(whether or not provided by Transco in accordance with paragraph 2.2)~~ includes a prepayment installation;

~~(ii) (b)~~ Transco takes any step under paragraph 18 or 19 of the Gas Code (Disconnections) in respect of ~~any report to the effect that~~ gas is not flowing to the Supply Point Premises or to appliances at such premises, and

~~(iii) (c)~~ after taking such steps Transco ascertains that the cause of gas not flowing is the inability of the consumer to utilise the prepayment installation, overfilling of a coin or token box, use of defective payment tokens or cards, or any fault in or tampering with a prepayment facility

then paragraph 2.5.3 shall apply.

2.5.3 In the circumstances in paragraph 2.5.2:

~~(i) (a)~~ Transco shall be entitled (without liability to the Registered User) to take any reasonable steps to ensure the restoration of supply to the consumer through the Supply Meter Installation until the end of the next following Business Day (making such assumption as to the rate of offtake as shall appear reasonable);

~~(ii) (b)~~ the Registered User shall reimburse to Transco the cost and expense incurred by Transco in taking the steps referred to in paragraph 2.5.2~~(i)(b)~~ and paragraph ~~(i)(a)~~ above (including the value of any coins, tokens or cards utilised for the purpose in paragraph ~~(i)(a)~~).

Signed for and on behalf of Transco.

Signature:

Chris Train
Director
Support Services

Date:

Gas and Electricity Markets Authority Response:

In accordance with Condition 9 of the Standard Conditions of the Gas Transporters' Licences dated 21st February 1996 I hereby direct Transco that the above proposal (as contained in Modification Report Reference **0672**, version **1.0** dated **23/03/2004**) be made as a modification to the Network Code.

Signed for and on Behalf of the Gas and Electricity Markets Authority.

Signature:

The Network Code is hereby modified with effect from, in accordance with the proposal as set out in this Modification Report, version **1.0**.

Signature:

Process Manager - Network Code
Transco

Date:

Annex

1. Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which The Restrictive Trade Practices Act 1976 ("the RTPA"), had it not been repealed, would apply to this Agreement or such arrangement shall not come into effect:
 - (i) if a copy of the Agreement is not provided to the Gas and Electricity Markets Authority ("the Authority") within 28 days of the date on which the Agreement is made; or
 - (ii) if, within 28 days of the provision of the copy, the Authority gives notice in writing, to the party providing it, that he does not approve the Agreement because it does not satisfy the criterion specified in paragraphs 1(6) or 2(3) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996 ("the Order") as appropriate

provided that if the Authority does not so approve the Agreement then Clause 3 shall apply.
2. If the Authority does so approve this Agreement in accordance with the terms of the Order (whether such approval is actual or deemed by effluxion of time) any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which the RTPA, had it not been repealed, would apply this Agreement or such arrangement shall come into full force and effect on the date of such approval.
3. If the Authority does not approve this Agreement in accordance with the terms of the Order the parties agree to use their best endeavours to discuss with Ofgem any provision (or provisions) contained in this Agreement by virtue of which the RTPA, had it not been repealed, would apply to this Agreement or any arrangement of which this Agreement forms part with a view to modifying such provision (or provisions) as may be necessary to ensure that the Authority would not exercise his right to give notice pursuant to paragraph 1(5)(d)(ii) or 2(2)(b)(ii) of the Order in respect of the Agreement as amended. Such modification having been made, the parties shall provide a copy of the Agreement as modified to the Authority pursuant to Clause 1(i) above for approval in accordance with the terms of the Order.
4. For the purposes of this Clause, "Agreement" includes a variation of or an amendment to an agreement to which any provision of paragraphs 1(1) to (4) in the Schedule to the Order applies.