

Dear Colleague

Further to the UNC Distribution Workstream held yesterday (22 September 2005), I refer to the challenge raised concerning ownership of the installation pipework within a Sub-deduct configuration. The Joint Office issued the following information on 31 August 2005 provided by Total Gas & Power:

“Further to the distribution meeting Yesterday, I am supplying the Transporter Licence Reference concerning Primes and Subs which I alluded to.

The reference is Standard Condition 5. System Development Obligations (page 70 of the document).

The Paragraph is quoted below:

13. For the purpose of paragraph 8(a) -

(a) where gas conveyed by the licensee to primary sub-deduct premises is conveyed from those premises to any secondary sub-deduct premises, the secondary sub-deduct premises shall be deemed to be connected to the pipeline system operated by the licensee, and

(b) where gas has, during the relevant period, been so conveyed to the secondary sub-deduct premises, it shall be deemed to have been so conveyed by means of that pipe-line system.

Our reading of this paragraph is that it gives a clear inference that sub-deduct premises are connected to the licensee's system and hence that the pipework downstream of the Primary Meter ECV is owned by the Transporter up to the sub-deduct meter ECV.

We would be very interested in any comments that the regulator or Transporters have in this regard”.

Transco raised a concern with regard to this at the meeting and would now like to respond in more detail. Our opinion is as follows:

“Standard Condition 5 is ‘switched off’. There are though identical provisions within Standard Special Condition A50. The key point to note is the deeming provision is expressly for the purposes of paragraph 8(a) only and does not infer any duty beyond that. The purpose is to make a Transporter keep records under paragraph 8(a) for all secondary sub deduct premises connected directly or indirectly to it's network. In simple terms, this means that the records keeping obligation applies to all sub deduct premises irrespective of whether a Transporter conveys gas past the primary ECV or not”.

Regards  
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