

Urgent Modification Report
Modification Reference Number 0031

This Modification Report is made pursuant to Rule 9 of the Modification Rules and follows the format required under Rule 8.12.4.

This Modification Report relates to a TransCo system modification which TransCo has elected under Section U 8.2.4(c) of the Network Code to treat as a Class 3 UK-Link Modification. The Modification is being treated as Urgent under the Modification Rules as a result of its nature and TransCo exposure to Customs & Excise criticism.

The consequential change in the UK-Link manual will be made as a Class 1 UK-Link change in due course.

1. Circumstances Making This Modification Urgent

In accordance with Rule 9.2(a) Ofgas has agreed that this modification should be treated as URGENT because Customs & Excise have notified TransCo that both the Commodity Adjustment and LDZ Capacity Adjustment invoices cannot be sent to Shippers until the VAT totals calculations are changed.

2. Procedures Followed

TransCo has agreed with Ofgas (and has followed) the following procedures for this Proposal:

- | | |
|---|---------|
| 1. Discussion at UK-Link Committee. | 21/5/96 |
| 2. Urgency agreed with Tahir Majid, Ofgas. | 22/5/96 |
| 3. Issue to Shippers for consultation. | 22/5/96 |
| 4 Replies from Shippers by. | 31/5/96 |
| 5 Discussion meeting at surgery (Ttnh Ct Rd). | 31/5/96 |
| 6 Reissue of revised file format to OfGas for approval. | 03/6/96 |
| 7 Issue to Shippers for consultation. | 03/6/96 |
| 8 Replies from Shippers by. | 06/6/96 |
| 9 Notification of further revised file format to OfGas. | 05/6/96 |
| 10 Issue to Shippers for consultation. | 06/6/96 |
| 11 Replies from Shippers by. | 07/6/96 |
| 12 Development complete. | 12/6/96 |
| 13 Notification of revised implementation date to Ofgas. | 18/6/96 |
| 14 Notification of revised implementation date to Shippers. | 19/6/96 |
| 15. Update to UK-Link Committee. | 20/6/96 |

In accordance with the provision of Section U 8.5.4, this procedure replaces the need for the consultation process on the proposal and its implementation, laid out in Section U 8.4.2.

3. The Modification Proposal;

There are currently no summary totals for credit items on the Invoice file. Also, the totals on these records should contain the difference between the 'original' and 'new' invoice items, not including any payments or allowances.

UK-LINK - Invoicing '95 will change the file format for both Commodity Adjustment and LDZ Capacity Adjustment invoices in order to ensure the correct information is included in the invoice.

The changes will be updated to the UK-Link manual as a Class 1 UK-Link change in due course.

4. Text provided pursuant to Rule 9.

As this is a Class 3 change to UK-Link, no textual changes are required to the Network Code.

5. TransCos opinion;

To ensure that TransCo comply with Customs and Excise requirements, it is essential that a file format change is implemented for both the commodity and LDZ capacity adjustment invoices.

6. Extent to which the modification would better facilitate the relevant objectives;

These changes will allow TransCo to meet Customs and Excise requirements and will also provide Shippers with credit as well as debit totals.

7. The implications for TransCo of implementing the Modification Proposal, including:

a) implications for the operation of System and any BG Storage Facility;

None.

b) development and capital cost and operating cost implications

Development cost is approximately £12,000.

No additional operating cost is incurred.

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 to specifically recover this cost from Shippers.

d) analysis of the consequences (if any) this proposal would have on price regulation;

TransCo are not aware of any impact upon Price Regulation,

8. 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;

There is no additional contractual risk.

9. The development implications and other implications for computer systems of TransCo and related computer systems of Relevant Shippers;

The changes require amendment to file formats contained within Invoicing '95. This requires significant development work for TransCo and will impact upon Shippers internal systems.

10. The implications of implementing the modification for Relevant Shippers.

Other than changes to internal Shipper systems, this is limited to awareness of additional data provided..

11. The implications of implementing of the modification for terminal operators, suppliers, producers and, any Non-Network Code Party;

None

12. Consequences on the legislative and regulatory obligations and contractual relationships of TransCo and each Relevant Shipper and Non-Network Code Party (if any), of the implementation of the Modification Proposal;

None

13. Analysis of any advantages or disadvantages of the implementation of the Modification Proposal;

Advantages: 1. Will assist Shippers to complete VAT returns.
2. Will give Customs & Excise the difference between the original invoice value and the new adjusted invoice value.

Disadvantages: None.

14. Summary of the representations (to the extent that the import of those representations are not reflected elsewhere in the modification report:

British Gas Trading.

BGT support the proposal.

Kinetica.

Kinetica support the proposal.

Quadrant Gas.

Quadrant support the proposal.

15. The extent to which the implementation is required to enable TransCo to facilitate compliance with safety or other legislation:

The change is required to meet legislative requirements for VAT calculation as identified by Customs & Excise.

16. Having regard to any proposed change in the methodology established under Standard Condition 3(5) or the statement; furnished by TransCo under Standard Condition 3(1) of the Licence:

This modification is not required to comply with the above clause.

17. Programme of works required as a consequence of the implementation of the Modification Proposal:

File format amendments are required for UK-Link. These are contained in Annex 2

18. Proposed implementation timetable:

- | | |
|------------------------------------|-------------|
| 1. Initial Test Files to Shippers. | 13/6/96 |
| 2. Repeat Test Files. | w/c 17/6/96 |
| 3. Into Production. | 11/7/96 |

Owing to the urgency of this modification, the early steps have been undertaken prior to the production of this report.

19. Recommendation for the implementation of the modification:

TransCo recommends that the systems amendments as detailed in Annex 2 are implemented on 11 July 1996.

20. Restrictive Trade Practices Act

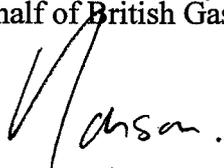
Whilst this proposal does not constitute an amendment to the Network Code, the attached RTPA clause (Annex 1) deals with consequential changes to the UK-Link manual.

21. TransCo Proposal

This Modification Report contains TransCo's proposal to introduce amendments to UK-Link. TransCo now seeks agreement of the Director General to implementing the change outlined in this report.

Signed for and on behalf of British Gas TransCo.

Signature:



Date:

20/6/96.

Name:

L. W. Dawson

Position:

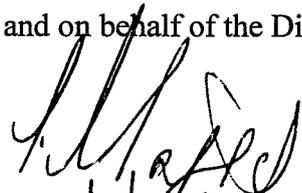
UK LINK MANAGER.

Director General of Gas Supply Response

I hereby consent to British Gas TransCo implementing the above proposal.

Signed for and on behalf of the Director General of Gas Supply.

Signature:



Date:

20/6/96

Name:

Tahir Majid

Position:

Executive Officer, Regulation & Business Affairs

ANNEX 1

Restrictive Trade Practices Act - Suspense Clause

For the purposes of the Restrictive Trade Practices Act 1976, this document forms part of the Agreement relating to the Network Code which has been exempted from the Act pursuant to the provisions of the Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996. Additional information inserted into the document since the previous version constitutes a variation of the Agreement and as such, this document must contain the following suspense clause.

1. Suspense Clause

1.1 Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect:

- (i) if a copy of the Agreement is not provided to the Director General of Gas Supply (the "Director") 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 Director 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 paragraph 2(3) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996.

provided that if the Director does not so approve the Agreement then Clause 1.2 shall apply.

1.2 Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect until the day following the date on which particulars of this Agreement and of any such arrangement have been furnished to the Office of Fair Trading under Section 24 of the Act (or on such later date as may be provided for in relation to any such provision) and the parties hereto agree to furnish such particulars within three months of the date of this Agreement.

ANNEX 2

RECORD/FIELD NAME OPT DOM LENGTH DEC DESCRIPTION/VALIDATION

RT_I30_ACO_INV_DETAIL

TRANSACTION_TYPE	M	T	3	0	A code identifying the type if request this record represents. Content 'I30'
ISH_ORGANISATION_ID	M	N	10	0	A unique number identifying a Shipper.
INV_NUMBER	M	N	6	0	Holds the unique number by which an Invoice is known.
ITP_CODE	M	T	3	0	A three character unique identifier of Invoice Type. COA = Commodity Adjustment
INV_AMOUNT_DUE	M	N	11	2	Holds the sum of all the differences between the 'original' and 'new' invoice item values (both 'Adjusted' and 'Unadjusted' before payment and allowances) which result in debits
INV_VAT_AMOUNT_DUE	M	N	10	2	Holds the sum of all the differences between the 'original' and 'new' invoice item VAT values (both 'Adjusted' and 'Unadjusted' before payment and allowances) which result in debits
INV_GROSS_TOTAL	M	N	12	2	Holds the sum of INV_AMOUNT_DUE and INV_VAT_AMOUNT_DUE for all adjustment invoice item values which result in debits
CREDIT_AMOUNT_DUE	M	N	11	2	Holds the sum of all the differences between the 'original' and 'new' invoice item values (both 'Adjusted' and 'Unadjusted' before payment and allowances) which result in credits.

CREDIT_VAT_AMOUNT_DUE	M N 10 2	Holds the sum of all the differences between the 'original' and 'new' invoice item VAT values (both 'Adjusted' and 'Unadjusted' before payment and allowances) which result in credits.
CREDIT_GROSS_TOTAL	M N 12 2	Holds the sum of CREDIT_AMOUNT_DUE and CREDIT_VAT_AMOUNT_DUE for all adjustment invoice item values which result in credits
INV_TAX_POINT_DATE	M D 8 0	Holds the date which the invoice can be taxed. In practice, this will be the date that the invoice was sent to the Shipper.
TRD_VAT_REGISTRATION_NUMBER	M T 12 0	A number issues to all companies where the turnover exceeds a Government limit or who have registered voluntarily, against which Value Added Tax is paid. The first 3 digits of the number indicate the original issuing tax office.
TRD_BANK_SORT_CODE	M T 8 0	This holds details of TRANSCO's bank sort code.
TRD_BANK_ACCOUNT_CODE	M T 9 0	This is the bank account number for TRANSCO.
TRD_BANK_ACCOUNT_NAME	M T 30 0	This is TRANSCO's bank account name.

ISH_VAT_REGISTRATION_NUMBER	M N 9 0	A number issued to all companies where the turnover exceeds a government limit or who have registered voluntarily, against which Value Added Tax is paid. The first three digits of the number indicate the original issuing tax office.
ISH_BANK_ACCOUNT_NUMBER	M T 8 0	The Account Number via which financial transactions are routed.
ISH_BANK_SORT_CODE	M T 6 0	The sort code of the Bank holding the customer's account.
TOTAL_PAYMENT_RECEIVED	M N 12 2	Total payment received for the original invoice items
TOTAL_ALLOWANCE_PROVIDED	M N 12 2	Total allowance provided for the original invoice items.
OUTSTANDING_BALANCE	M N 12 2	Total of all debit (+ve) OUTSTANDING_BALANCES on 'I31' and 'I36' records which includes payments & allowances.
OUTSTANDING_BALANCE =		
RT_I37_ACA_INV_DETAIL		
TRANSACTION_TYPE	M T 3 0	A code identifying the type if request this record represents. Content 'I37'
ISH_ORGANISATION_ID	M N 10 0	A unique number identifying a Shipper.
INV_NUMBER	M N 6 0	Holds the unique number by which an Invoice is known.

ITP_CODE	M T 3 0	A three character unique identifier of Invoice Type. CAA = LDZ Capacity Adjustment
INV_AMOUNT_DUE	M N 11 2	Holds the sum of all the differences between the 'original' and 'new' invoice item values (both 'Adjusted' and 'Unadjusted' before payment and allowances) which result in debits
INV_VAT_AMOUNT_DUE	M N 10 2	Holds the sum of all the differences between the 'original' and 'new' invoice item VAT values (both 'Adjusted' and 'Unadjusted' before payment and allowances) which result in debits
INV_GROSS_TOTAL	M N 12 2	Holds the sum of INV_AMOUNT_DUE and INV_VAT_AMOUNT_DUE for all adjustment invoice item values which result in debits
CREDIT_AMOUNT_DUE	M N 11 2	Holds the sum of all the differences between the 'original' and 'new' invoice item values (both 'Adjusted' and 'Unadjusted' before payment and allowances) which result in credits.
CREDIT_VAT_AMOUNT_DUE	M N 10 2	Holds the sum of all the differences between the 'original' and 'new' invoice item VAT values (both 'Adjusted' and 'Unadjusted' before payment and allowances) which result in credits.

<p>CREDIT_GROSS_TOTAL M N 12 2</p>	<p>Holds the sum of CREDIT_AMOUNT_DUE and CREDIT_VAT_AMOUNT_DUE for all adjustment invoice item values which result in credits</p>
<p>INV_TAX_POINT_DATE M D 8 0</p>	<p>Holds the date which the invoice can be taxed. In practice, this will be the date that the invoice was sent to the Shipper.</p>
<p>TRD_VAT_REGISTRATION_NUMBER M T 12 0</p>	<p>A number issues to all companies where the turnover exceeds a Government limit or who have registered voluntarily, against which Value Added Tax is paid. The first 3 digits of the number indicate the original issuing tax office.</p>
<p>TRD_BANK_SORT_CODE M T 8 0</p>	<p>This holds details of TRANSCO's bank sort code.</p>
<p>TRD_BANK_ACCOUNT_CODE M T 9 0</p>	<p>This is the bank account number for TRANSCO.</p>
<p>TRD_BANK_ACCOUNT_NAME M T 30 0</p>	<p>This is TRANSCO's bank account name.</p>
<p>ISH_VAT_REGISTRATION_NUMBER M N 9 0</p>	<p>A number issued to all companies where the turnover exceeds a government limit or who have registered voluntarily, against which Value Added Tax is paid. The first three digits of the number indicate the original issuing tax office.</p>

ISH_BANK_ACCOUNT_NUMBER
M T 8 0

The Account Number via which financial transactions are routed.

ISH_BANK_SORT_CODE
M T 6 0

The sort code of the Bank holding the customer's account.

TOTAL_PAYMENT_RECEIVED
M N 12 2

Total payment received for the original invoice items

TOTAL_ALLOWANCE_PROVIDED
M N 12 2

Total allowance provided for the original invoice items.

OUTSTANDING_BALANCE
M N 12 2

OUTSTANDING_BALANCE =

Total of all debit (+ve) OUTSTANDING_BALANCEs on 'I31' and 'I36' records which includes payments & allowances.