

**Modification Report**  
**Modification Reference Number 0032**

This Modification report is made pursuant to Rule 8.12 of the Modification Rules and follows the format required under Rule 8.12.4.

**1. Circumstances Making This Modification Urgent**

In accordance with Rule 9.2(a) Ofgas has agreed that this Modification should be treated as URGENT in order to facilitate the rapid accession to the Network Code of new Shippers, particularly where timescales are tight.

**2. Procedures Followed**

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

28/5 Circulate Proposal to Shippers and Non-Network Code Parties for Representations.

31/5 10:00am Final date for Representations.

31/5 Discussion of Proposal at Network Code Update meeting at Tottenham Court Road.

31/5 Ofgas Direction sought.

1/6 Implementation.

**3. The Modification Proposal:**

The Network Code currently defines a waiting period of 10 business days for an Applicant User becoming a User following TransCo collating mandatory data and setting up UK-Link systems. It is proposed to reduce the period from 10 business days to 3 business days.

**4. Text provided pursuant to Rule 8.14:**

Amend section V 2.2.1 of the Network Code Principal Document:

"The Applicant User will become a User with effect from the Day ("User Accession Date") which is 3 Business Days after satisfaction of the last of the requirements under paragraphs 2.1.1 and 2.1.2 to be satisfied".

5. TransCo's opinion:

It is the opinion of TransCo that this Modification should be implemented on the 1st June 1996.

6. Extent to which the Modification would better facilitate the relevant objectives:

This Modification would enable the Network Code to better accommodate formations and reconstruction's of companies applying to become Network code users.

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

None

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;

It is not TransCo's intention to recover any costs that are incurred with respect to this Modification.

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

TransCo is not aware of any impacts on 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;

This Modification will not alter the expected level of contractual risk to TransCo under the Network Code.

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

None.

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

In the event of a merger or reconstruction this Modification will reduce the timescale defined under the Network Code for this process to be completed.

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

TransCo has not been informed of any such implications.

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;

TransCo has not been informed of any such consequences.

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

This proposal will enable the Network Code to better accommodate company demergers and reconstructions of Network Code Users.

14. Summary of the representations (to the extent that the import of those representations are not reflected elsewhere in the Modification report);

Attached letter from British Gas Trading received supporting the proposal but expressing concern about notification to existing users (N.B V 2.2.2 of the Code already requires TransCo to give such notice to all existing users 'Upon the Applicant User's becoming a User').

At the discussion held on 31st May, TransCo explained the proposal and answered Shippers questions. No shipper voiced any objection to the proposal.

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

This Modification is not required to facilitate compliance with Safety or other legislation.

16. The extent to which the implementation is required 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 this clause.

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

This Modification does not require any works other than amendment to Network Code text.

18. Proposed implementation timetable;

This Modification will be implemented on the 1st June 1996.

19. Recommendation for the implementation of the Modification;

TransCo recommends that this modification is implemented on the 1st June 1996.

20. 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.

21. TransCo Proposal

This Modification Report contains TransCo's proposal to modify the Network Code and TransCo now seeks a direction from the Director General in accordance with this report.

Signed for and on behalf of British Gas TransCo.

Signature: 

Date: 31-5-96


Name: JH LOWETH

Position: LEGAL ADVISER

Director General of Gas Supply Response

In accordance with Condition 7 (10) (b) of the Standard Conditions of Public Gas Transporters' Licences dated 21st February 1996 I hereby direct British Gas TransCo that the above proposal be made as a modification to the network code.

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

Signature: 

Date: 31 May 1996

Name: MEGAN L. WATSON

Position: Higher Executive Officer

## ANNEX 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 approve the Agreement as aforesaid then the following clause shall apply:

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.