

**Modification Report**  
**Modification Reference Number 0092**  
**Cutoff Time for Receipt of SPA Batch Files**

This modification report is made pursuant to Rule 9 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 allow implementation in time (if approved) to facilitate the next phase of Domestic Competition scheduled for 10 February 1997.

2) Procedures Followed

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

Modification Proposal circulated	Tuesday 5 November
Close-out for representations	Tuesday 19 November
Modification Report	ASAP
Decision anticipated by	ASAP

3) The Modification Proposal;

The Modification Proposal is to specify the latest time on a Business Day for the receipt of SPA Batch Files for processing as being received on that Business Day.

4) TransCo's Opinion;

Currently, the Network Code stipulates that all batch files submitted by 24.00 hours on a Business Day will be processed as being received on that Business Day. This statement reflects conventional design practice for systems design which works on a calendar day basis. Thus, any files processed after 24.00 hours on a Business Day will be date stamped as the next Business Day. The process as stands however, does not allow any time for TransCo to formulate the batch files ready for processing. There is also the danger that if a large file is received just prior to the batch cutoff time, processing of this file will carry on long after midnight. This would then start to have an impact on maintenance and back-up activities that are scheduled for after midnight, but before processing of datalogger files at 06.00. The proposal stipulates that such batch cutoff times will be detailed in the UK Link Manual.

Following representations made on the original proposals, the latest receipt of cyclic files (including confirmations) will now initially be 23.00.

5) Extent to which the modification would better facilitate the relevant objectives;

The opening up of Domestic Competition will lead to a large increase in the number of SPA batch file transactions, particularly supply point confirmations. Without this modification there is the possibility that some confirmations would be inappropriately rejected as having not given sufficient notice. This would lead to great confusion in the Domestic market with consumers having to be given revised transfer dates.

6) The implications for TransCo of implementing the Modification Proposal, including:

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

Not applicable

b) development and capital cost and operating cost implications

There will be only minor systems development costs in implementing this proposal, but potentially significant costs in redesigning the TransCo systems if the proposal is not implemented.

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;

An allowance has been made within TransCo's cost base for developments associated with the implementation of domestic competition.

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

There would be no additional consequences on price regulation as a result of implementing this proposal.

7) 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 proposal would reduce the level of contractual risk to TransCo as, at present, there is a risk that inappropriately rejected transactions could lead to liability payments.

8) The development implications and other implications for computer systems of TransCo and related computer systems of Relevant Shippers;

There are only minor development implications for TransCo's computer systems as a result of the implementation of this modification.

Implications for the related computer systems of Relevant Shippers have been considered and to minimize any impact on their systems the batch cutoff time for cyclic files has been revised to 23.00.

9) The implications of implementing the modification for Relevant Shippers,

Relevant Shippers will need to formulate their batch files for transmission to TransCo to arrive before the batch cutoff time, if they wish them to be processed for that Business Day.

10) The implications of implementing the modification for terminal operators, suppliers, producers and any non-Network Code Party;

Suppliers will need to get information to their Shippers within sufficient time for Shippers to process the files for onward transmission to TransCo, if they wish them to be processed on that Business Day.

11) 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;

Implementation of the proposal would ensure that there is industry agreement as to when a file has arrived in time to guarantee processing for that Business Day. This would then minimize any disputes about files being incorrectly rejected because they have not conformed to the Network Code rules.

12) Analysis of any advantages or disadvantages of the implementation of the Modification Proposal;

The main advantage of the proposal is that there is clear industry agreement as to when a SPA batch file has to be submitted to TransCo for processing on that Business Day.

The disadvantage is that this time is so late in the day that TransCo may still experience operating problems with the timely processing of large numbers of files received late in the day.

13) Summary of the representations (to the extent that the import of those representations are not reflected elsewhere in the modification report);

Of the representations received most were in support of the modification, although BP Gas has some reservations. BGT and ENG did not support the original modification, although ENG indicated that they could support a later batch cutoff time of say 22.00 hours. In both cases they gave their reason as being insufficient time available to them to process the files before onward transmission to TransCo.

UKDCS commented that the proposed cutoff time should be the latest time which would guarantee processing for that Business Day but that a file received later should be processed if it could be accommodated. They also commented that the same cutoff times should apply to independent MRAs as well as to TransCo(MR).

Quadrant requested that the batch cutoff time for file types STC, Supply Type Change Request, and RFR, Reference Amendment Request be identified.

### **TransCo Response**

At the moment there is no clarity over batch cutoff times. It is in the industry's interest that there is clarity and this modification proposal provides that. TransCo accept that the implementation of this proposal will mean that Shippers will have less time in a calendar day in which to process their files. This proposal was considered by the review group and considered to be a reasonable compromise over Shipper's needs and TransCo's needs based on industry standards for systems design. Both BGT and ENG made representations stating that for the efficient running of their business a later batch cutoff time for cyclic files, particularly confirmations, is required. In view of these representations the batch cutoff time for cyclic files has been moved to 23.00.

TransCo processes batch files on a cyclic basis throughout the normal working day, currently on approximately 2 hour intervals. (The times can be longer or shorter depending on the size of the file being processes.) To make efficient use of the processing capability Shippers are encouraged to send files in throughout the day, rather than one large file at the end of the day. If large numbers of files are sent late in the day, particularly for the initial phases of Domestic Competition Phase II, then such a late batch cutoff time may cause operating problems for TransCo.

The times quoted are latest times that TransCo will attempt to guarantee processing for that Business Day. TransCo fully support UKDCS that this does not mean that files received after this time will not be processed for that Business Day.

Should Shippers select an unbundled meter reading service then they will subject to the same rules as TransCo(MR).

File type RFR, Reference Amendment Request, will have a batch cutoff time of 16.00 hours. File type STC was never implemented.

- 14) The extent to which the implementation is required to enable TransCo to facilitate compliance with safety or other legislation;

Not applicable.

- 15) 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;

Not applicable.

- 16) Programme of works required as a consequence of the implementation of the Modification Proposal;

The necessary system changes will be made by the start of Domestic Competition Phase 2 should approval for this modification be given by early January.

17) Proposed implementation timetable;

See 16) above.

18) Recommendation for the implementation of the modification;

TransCo recommends that this modification be implemented.

19) 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.

20) 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.

21) Text provided pursuant to Rule 9

Amend Section V11.1.5 to read:

"..., a Code Communication which is given after 24.00 hours, or such other time as may be specified in the UK Link Manual in respect of such Code Communication, on a Day, may be deemed to have been received on the following Day."

Amend Section 4.1.4 of the UK Link Overview Manual to read:

"A Batch Transfer Communication may be made at any time, subject to the availability of the UK Link Network. There are no technical restrictions concerning the timing of Batch Transfer Communications. However, in order to guarantee that a Batch Transfer Communication is processed for that Business Day they need to be received by TransCo by the following times:

CNF - Confirmations	CNFPR10Bs	23.00 hours
NOM - Nominations	NOMPR10Bs	23.00 hours
SPC - Supply Point Changes	SPOPR10Bs	23.00 hours
WAO - Withdrawals & Objections	OJTPR10Bs	23.00 hours
IAR - Isolations & Reconnections	ISLPR10Bs	23.00 hours
CNC - Customer Amendments	CTTRC20Bs	16.00 hours
EMC - Emergency Contacts	CTTCR10Bs	16.00 hours
RFA - Reference Amendment	RFAPR10Bs	16.00 hours
Meter Readings		21.00 hours

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(These times will be indicated as being legally binding)

(The timing for the receipt of Opening Reads is separately referred to in the Network Code as being 16.00 hours.)

Signed for and on behalf of British Gas TransCo.

Signature: P. Monk  
Date: 24 December 1996  
Name: P. J. MONK  
Position: NETWORK CODE MANAGER.

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: Kyrin P. Hanks  
Date: 22/1/97  
Name: KYRAN HANKS  
Position: HEAD OF NETWORK OPERATIONS

The network code is hereby modified, with effect from \_\_\_\_\_ in accordance with the above proposal.

Signature:

Secretary Modification Panel  
British Gas TransCo

## ANNEX

### **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.