

Modification Report
Modification Reference Number 0111
Reporting of Information Relating to CSEPs

This modification report is made pursuant to Rule 8.12 (**Standard**) of the Modification Rules and follows the format required under Rule 8.12.4.

1. Circumstances Making This Modification Urgent

This Modification is not treated as Urgent

2. Procedures Followed

Standard Modification Rules procedures have been followed. The modification proposal was presented to the Modification Panel on 16 January 1997 and in accordance with Rule 7.2.2(ii) the Modification Panel determined unanimously that the proposal merits implementation without consideration in the development phase. Consequent to that decision, this Modification Report has been prepared in accordance with Rule 7.4(a).

3. The Modification Proposal

Sections O3.1.2(a)(ii) and O3.1.3(iii) of the Network Code requires Transco to "typically" include in the annual Base Plan Assumptions publication, estimates of observed maximum historical and predicted 1 in 20 peak day demand for individual connected system exit points (CSEPs).

Outflows from the Transco system into CSEPs are in the vast majority of cases not measured, and hence actual observed maximum flows cannot be reported, where no such measurements exist.

Reporting data pertaining to individual CSEPs may be seen by the relevant CSEP operator (CSO) and/or shipper as being potentially commercially disadvantageous.

Transco's ability to estimate 1 in 20 peak day demands for CSEPs depends on the receipt of future annual load information from the CSO, who would be less prepared to provide this information if commercial disadvantage might result from the subsequent publication of individual data relating to their CSEPs.

The flows from individual CSEPs are small (a fraction of a single percentage point at present) in comparison with both observed maximum demand in the constituent LDZ and predicted 1 in 20 peak day demand for the LDZ.

Transco accordingly proposes that :

Data relating to CSEPs are published on an aggregated basis per LDZ instead of individually.

The requirement to publish actual observed maximum flows, where no metering exists at the point of connection to the Transco system, is removed.

4. Transco's opinion

It is Transco's opinion that this modification should be approved pursuant to completion of procedures set out under Rule 7.4.

5. Extent to which the modification would better facilitate the relevant objectives

The modification corrects a situation where the Code requires a physical impossibility (ie. provision of actual measured flows where no metering exists).

The modification also protects CSOs from potential commercial disadvantage that might otherwise arise if individual CSEPs data is published. Accordingly, it also better incentivises CSOs to provide to Transco relevant future annual load growth information on CSEPs.

6. 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;

None

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

None

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:

None

8. The development implications and other implications for computer systems of Transco and related computer systems of Relevant Shippers;

None

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

None

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

None

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;

Transco is not aware of any direct consequences but indirectly the proposals would make the provision to Transco of appropriate future annual load growth information on CSEPs more likely and this would be generally desirable to the extent that it would better assist longer term system planning.

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

Advantages. The proposal on publication of information relating to CSEPs, corrects a physically impossible Network Code requirement and protects CSOs from potential commercial disadvantage.

Disadvantages. Transco is not aware of any disadvantages of implementation of this proposal.

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

Representations were received from two system Users, both of which were in favour of the proposal. However, one representation also urged care in the drafting of the revised clauses to ensure the objective of the Modification proposal was properly realised without any unexpected negative effects.

Transco Response

Transco notes that the two representations received were in favour of the proposal. In order to ensure that the objective of the modification (which is to be able to publish data pertaining to CSEPs within LDZs in aggregate form) is correctly met, Transco proposes the revised text as set out in Section 21 below.

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

Transco is not aware of any

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;

None

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

None considered necessary

17. Proposed implementation timetable;

The modification will be implemented directly following receipt of an Ofgas direction or consent that the modification be made.

18. Recommendation for the implementation of the modification;

Transco recommends that this modification is 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 TransCos 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 8.14 (Standard)

The proposal is that :

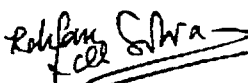
Section O3.1.2(a)(ii) is revised to read :

"for System Exit Points (other than Unmetered Connected System Exit Points) in accordance with paragraph 3.1.3;"

Section O3.1.3(iii) is revised to read :

"in respect of each LDZ Connected System Exit Point on an aggregated basis by LDZ (but not for Storage Connection Points)."

Signed for and on behalf of Transco.

Signature: 

Date: 27/02/97

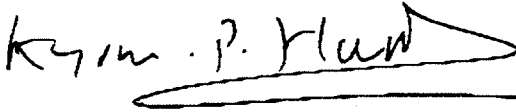
Name: ROHAN DE SILVA

Position: SENIOR NETWORK PLANNER

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: 28/4/97

Name: Kyran Hanks

Position: Head of Network Operations

The network code is hereby modified, with effect from 21st April 1997, in accordance with the above proposal.

Signature: 

Secretary Modification Panel
Transco

21. Text provided pursuant to Rule 8.14 (Standard)

The proposal is that :

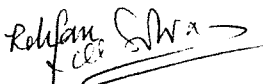
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Position: SENIOR NETWORK PLANNER

Director General of Gas Supply Response

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

Signature:

Date:

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
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.