

Final Modification Report
Modification Reference Number 0119
Interruption Notification via I'X

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

- 21 February 1997 - Modification Panel consider Modification Proposal and the Draft Terms of Reference of the Development Workgroup
- 17 March 1997 - Development Workgroup meeting
- 7 April 1997 - Development Workgroup meeting
- 21 April 1997 - Development Workgroup meeting
- 4 July 1997 - Development Workgroup meeting
- 21 August 1997 - Modification Panel consider Modification Report
- 28 September 1997 - Implementation date

A paper entitled "UK-LINK INFORMATION 'XCHANGE INTERRUPTION NOTIFICATION FILE TRANSFER PROPOSAL" was presented to the Network Code Modifications Panel Meeting on 20 February 1997. The paper addressed the following concerns about the use of the Information Exchange Network (I'X) Controlled File Transfer Mechanism (CFTM) to transport Interruptions Notifications between Transco and the UK Link Users which had been raised by System Users:-

a) Delays may occur in the file transfer process which would not give UK Link Users sufficient time to interrupt and as a result, they could incur penalties. Delays could be caused by:

- i) Insufficient capacity.
- ii) Night time transfers - the network could be busy with large file transfers.
- iii) File size.
- iv) Inability of the CFTM to prioritise without major modification.

b) Definition of where the 5-hour time slot for Interruptions would start; either the time of delivery to the UK-Link User Network Terminal server or the time that Transco sent the file.

c) The Shippers expressed the view that faxes should still be sent out in parallel with I'X file transfers and that smaller UK Link Users would prefer to continue using faxes only.

The solution described in the paper fulfils the requirements for implementing the Interruptions Notifications process.

In summary:

Large file transfers will not adversely affect the transfer time of small Interruption Notification file transfers.

The 5-hour time window does not begin until Transco successfully delivers the files to the UK Link User's gateway.

An audit of all file transfers will be maintained as a matter of course by the CFTM.

The elapsed time between the sending of the first and last Interruptions file will be less than 10 minutes.

The use of AT-LINK as an alternative to I'X was discussed and it was concluded that, mainly due to the fact the System Users would have to use "screen scrapes" to download large amounts of data, the use of AT-LINK was not a viable alternative.

3. The Modification Proposal:

Currently the Code requires Registered Users and Transco to communicate details of Supply Point Interruptions by means of telephone or facsimile.

To enable the shipper community to automate the data processing involved when Transco communicate details of Supply Point Interruptions, it is proposed that Transco develop the I'X system to notify details of interruptions and restorations to Shippers. This is an additional service to the existing telephone and facsimile which shippers can elect to use.

The I'X system will provide two way communications by which shippers can respond to Transco Initiated Interruptions and Shippers can notify Shipper Initiated Interruptions to Transco.

4. Transco's opinion:

It is Transco's opinion that this modification should be approved.

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

This modification will provide an enhanced method of communicating details of Transco Initiated Interruptions and Shipper Initiated Interruptions between Transco and Shippers electing to use the I'X system. Therefore, this will promote the efficient and economic use of the pipeline system.

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;

Not appropriate

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;

This proposal utilizes the existing I'X system and has involved Transco in the development of seven new files:-

- * Transco Interruption Request to Registered Users
- * Transco Interruption Confirmations from Registered Users
- * Registered Users Modification Request to Transco
- * Transco Modification Confirmations to Registered Users
- * Transco Restoration Request to Registered Users
- * Transco Restoration Confirmations from Registered Users
- * Registered User's Own Interruption/Restoration to Transco

All Shippers were asked the following three questions regarding the implications for their company and their computer systems:-

- * What development implications will this proposal have for your company?
- * What will be the implications for your computer systems?
- * What will be the implications for implementing this proposal for your systems?

Eleven Shippers replied giving varying estimates of the cost implications for development, capital and annual operations.

Figures taken from Shipper responses

| | |
|-------------|-------------------|
| Development | £5,000 to £66,500 |
| Capital | £1,500 |
| Operations | £2,000 per annum |

Budget costs £200,000

However, Shippers are not obliged to use the system as it is being offered as an additional service which Shippers can choose to use or continue using telephone or facsimile.

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

Shippers choosing to communicate with Transco Interruption Notifications via the I'X system will need to develop systems and procedures to handle the receipt and transmission of File Formats on a 24 hour basis during the winter.

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;

None

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

The advantages for Shippers choosing to use I'X for Interruption Notifications is that they can automate the interruption process allowing more time to exercise an element of choice as to which of their sites they would prefer to interrupt.

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

Following the establishment of the Development Workgroup on 20 February 1997 and the circulation of the minutes of the meeting on 17 March 1997 to all Shippers, written representations were received the following parties:-

AGAS, Alliance Gas, Amerada Hess, Gas Light & Coke, Kinetica Ltd., Midlands Gas, National Power, Quadrant Gas and United Gas Co. Ltd.

The majority of Shippers appreciated the advantages that could be gained by Shippers with larger interruptible portfolio in using the I'X system for Interruption Notification but expressed opposition to the withdrawal of the telephone and facsimile method of communication.

Transco subsequently agreed that the I'X would be offered as an additional service which Shippers could use by giving Transco one months notice prior to the date they wished to avail themselves of the system.

Following a letter dated 9 April 1997 requesting information and estimated development, capital and operating costs involved in them implementing the I'X solution, to all Shippers, written representations were received the following Shippers:-

Alliance Gas, Amerada Hess, British Fuels-Gas, BP Gas, Gas Light & Coke, Midlands Gas, National Power, Powergen, Quadrant Gas, Total and United Gas Co. Ltd.

The majority of Shippers referred to the development of additional software, procedures, staff training and 24 hour system support and stated that it would not be economical for Shippers with comparatively small interruption portfolios.

Following the issuing of the SC95 INTERRUPTION FILE LAYOUTS, version 4 (draft), dated 2 May 1997 and the associated PROCESS FLOW DIAGRAMS on 12 May 1997, to all Shippers, written representations were received the following Shippers:-

Quadrant Gas Ltd., British Gas Trading and Eastern Power & Energy Trading Ltd.

In response to the representations Transco issued version 5 (draft), dated 10 June 1997, of the SC95 INTERRUPTION FILE LAYOUTS which was discussed at the meeting of the Development Workgroup on Friday 4 July 1997. At this meeting agreement was reached on revisions to the File Formats, Process Flow Diagrams and the Legal Text for the Network Code Modifications.

Following circulation of the draft modification report only one further representation was received from BGT which supported the modification. (copy attached)

Transco Response

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:

Not applicable

17. Proposed implementation timetable:

The Interruption Notification File Formats via I'X will be available, for those Shippers who have indicated they wish to use it, from 28 September 1997.

Prior to this date Transco will make test files available for Shippers to carry out system testing.

18. Recommendation for the implementation of the modification:

Transco support this Modification and believe it should 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 8.14 (Standard)

Principal Document, Section G

Amend paragraph 6.6.5:

1. In the first line, delete the words "of which the DM Supply Point Component is DMA," and replace with "(but without prejudice to Section C in relation to Renominations)".
2. Delete the final paragraph and replace with:

"the Registered User will as soon as reasonably practicable, and in accordance with paragraph 6.6.7, inform Transco of the matters set out in paragraph 6.6.6, provided that the Registered User shall use reasonable endeavours to inform Transco not more than one hour after such discontinuance and/or not less than one hour before such resumption".

Add a new paragraph 6.6.6:

"6.6.6 The matters to be informed by the Registered User to Transco pursuant to paragraph 6.6.5 are:

- (i) the identity of the Interruptible Supply Point;
- (ii) the time with effect from which the consumer will be required to discontinue, or authorised to resume, consumption; and
- (iii) an estimate of the amount by which the quantity of gas offtaken will increase or decrease as a result of such discontinuance or resumption."

Add a new paragraph 6.6.7:

"6.6.7 For the purposes of paragraph 6.6.5 the User will give the relevant information to Transco by means of telephone or facsimile, unless it has given to Transco not less than one month's notice of its intention to give such information by Batch Transfer Communication, in which case such User will give information to Transco for the purposes of paragraph 6.6.5 only by Batch Transfer Communication, and will promptly inform Transco by telephone or facsimile of the transmission of each such Batch Transfer Communication."

Add a new paragraph 6.6.8:

"6.6.8 Where Transco notifies a User that it is unable satisfactorily to access a Batch Transfer Communication transmitted pursuant to paragraph 6.6.7, that User will promptly send to Transco by facsimile the information contained in that Batch Transfer Communication."

Amend paragraph 6.8.3:

"The User shall, by telephone or facsimile (or otherwise in accordance with this paragraph 6.8):"...

Add a new paragraph 6.8.3(iii):

- ... "(iii) as soon as reasonably practicable, notify Transco of any facts or circumstances known to the User that might prevent Interruption from taking place or cause Interruption to take place after the Interruption Start Time."

Add a new paragraph 6.8.6:

"6.8.6 As soon as reasonably practicable after Transco has given one or more Interruption Notices, it will send to all relevant Registered Users an Active Notification Communication stating that, in relation to all Users who have made an election under paragraph 6.8.7, such Batch Transfer Communications have been sent by Transco."

Add a new paragraph 6.8.7:

"6.8.7 A User may elect, by giving not less than one month's notice to Transco:

- (i) to receive all Interruption Notices in respect of Supply Points in relation to which it is Registered User; and
- (ii) to give all confirmations pursuant to paragraph 6.8.3(ii)

by means of Batch Transfer Communication."

Add a new paragraph 6.8.8:

"6.8.8 Subject to paragraphs 6.8.9 and 6.8.10, where a User makes an election under paragraph 6.8.7, on expiry of the relevant period of notice Code Communications for the purposes of paragraph 6.8.1 and 6.8.3(ii) shall be given by Batch Transfer Communication, and where the User gives any Code Communication to Transco under this paragraph 6.8 by Batch Transfer Communication, the User must promptly inform Transco, by telephone or facsimile, of the transmission of such Batch Transfer Communication."

Add a new paragraph 6.8.9:

"6.8.9 Where:

- (i) Transco has given to a User an Interruption Notice by Batch Transfer Communication; and
- (ii) the User is unable, in accordance with Section U paragraph 4.5, to access such Batch Transfer Communication; and
- (iii) the User notifies Transco of such inability, by telephone or facsimile, not later than 30 minutes after the Interruption Notice was given

Transco will give to the User Interruption Notice by facsimile, and this facsimile shall constitute Interruption Notice for the purpose of establishing the Interruption Start Time."

Add a new paragraph 6.8.10:

"6.8.10 Where any User has made an election pursuant to paragraph 6.8.7, that User may elect by notice to Transco:

- (i) to receive all Interruption Notices in respect of Supply Points in relation to which it is Registered User; and
- (ii) to give all confirmations under paragraph 6.8.3(ii)

by facsimile, provided that no election may be made under this paragraph 6.8.10 less than one month after the date of an election by that User under paragraph 6.8.7."


Add a new paragraph 6.8.11:

"6.8.11 Where a User makes an election under paragraph 6.8.10, on expiry of one month from the date of the relevant notice, or from such other date as Transco and the User may agree, Code Communications for the purposes of paragraph 6.8.1 and 6.8.3(ii) shall be given by telephone or facsimile."

UK-LINK MANUAL

Following the approval of Modification 0119 the UK-Link manual will be updated to reflect the modifications made to the text of the Network Code.

Signed for and on behalf of BG Transco.

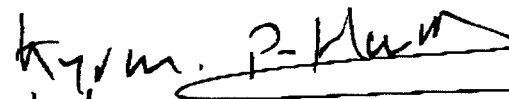
Signature: 
Date: 6/10/97.

Name: ~~Mr~~ Ian Healey
Position: Manager, Business Link

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 BG 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: 17/10/97.

Name: Kyran Hanks
Position: DIRECTOR, TRANSPORTATION REGULATION.

The Network Code is hereby modified, with effect from 21st OCTOBER, in accordance with the above proposal. 1997

Signature: 

Secretary Network Code Modification Panel
BG 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.