

Modification Report
Modification Reference Number 0215
(Class III UK-Link Change Request)

Revisions to Maximum Daily Permissible SPA Volumes (Domestic Competition).

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. The Modification Proposal:

The maximum daily usage volumes that UK-Link can deal with are listed in the UK-Link IS Service Definition Section of the UK-Link Manual and are legally binding.

Following recent scalability benchmarking exercises, Transco are now able to revise the value applying to 'Transfers of Meter Point Ownership'. This is based on the implementation of new functionality to Transco's Sites & Meters database which has introduced seven new partitions (servers).

It is now possible for UK-Link to accommodate a maximum daily volume of 50,000 transfers of ownership per database partition.

Following discussion within Review Group 0114R 'Revisions to Maximum Daily Permissible SPA Volumes' and latterly the SPA/Metering workstream, it was identified that the UK-Link Manual should be updated to reflect Transco's current maximum performance with respect to supply point transfers. It is therefore proposed to update the IS Service Definition to reflect that Transco can accommodate 50,000 transfers of supply point ownership per Sites and Meters database partition.

2. Transco's opinion:

Transco have raised this modification following discussion at the SPA/Metering Workstream. Transco considers that the UK-Link Manual should reflect the capability of the UK-Link Supply Point Administration system.

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

The Modification demonstrates to Shippers the limits of the system such that the Shippers can adjust their processes to be consistent with UK-Link's capability to process transactions. The Modification supports the implementation of competition within the gas market.

4. **The implications for Transco of implementing the Modification Proposal , including:**

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

Transco are not aware of any such implications for the operation of Transco's gas transportation network or any BG storage facility.

b) **development and capital cost and operating cost implications:**

None identified.

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 applicable.

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

Transco are not aware of any impact on price regulation.

5. **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:**

No increase or decrease in the level of contractual risk has been identified.

6. **The development implications and other implications for computer systems of Transco and related computer systems of Relevant Shippers:**

Transco are not aware and have not been made aware of any development implications for relevant Shippers or Transco.

7. **The implications of implementing the Modification Proposal for Relevant Shippers:**

Shippers may wish to re-evaluate how transaction files are presented to UK-Link.

8. **The implications of implementing the Modification Proposal for terminal operators, suppliers, producers and, any Non-Network Code Party:**

Transco have not been made aware of any such implications.

9. **Consequences on the legislative and regulatory obligations and contractual relationships of Transco and each Relevant Shipper and Non-Network Code Party of implementing the Modification Proposal:**

This change will constitute a class III modification to the IS Service Definition within the UK-Link Manual.

10. **Analysis of any advantages or disadvantages of implementation of the Modification Proposal:**

Advantages

The proposal enables the UK-Link Manual to be consistent with the operational processing limitations of the UK-Link system. It should be noted that this modification does not address industry constraints. This issue has, however, been dealt with by the Domestic Competition Focus Group.

Disadvantages

None identified.

11. **Summary of the Representations (to the extent that the import of those representations are not reflected elsewhere in the Modification Report):**

1 representation was received with respect to this Class III UK-Link Change Request.

The respondent is not supportive of the proposal on the basis that they believe that a clear picture of the capabilities of Transco and Users in the processing of business transactions is not necessarily given.

Transco would comment that the purpose of the proposal is to define the capacities of the UK-Link Supply Point Administration system in respect of Supply Point transfers of ownership only. The Change Request specifically states that the issue of industry constraints should be addressed separately. This has subsequently been undertaken by the Domestic Competition Focus Group. This approach and the subsequent raising of Class III Change Request 0215 was discussed and approved by the SPA/Metering Workstream.

12. **The extent to which the implementation is required to enable Transco to facilitate compliance with safety or other legislation:**

Not applicable.

13. **The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 3(5) of the statement; furnished by Transco under Standard Condition 3(1) of the Licence:**

Not applicable.

14. **Programme of works required as a consequence of implementing the Modification Proposal:**

No programme of works is considered necessary.

15. **Proposed implementation timetable (inc timetable for any necessary information systems changes):**

Draft Modification Report circulated to Modification Panel members, Shippers and Non-Network Code parties seeking representations.

24 April 1998

Close out for representations.

27 May 1998

Modification Report to Ofgas

4 June 1998

Ofgas Direction for Implementation of Modification.

10 June 1998

Modification implemented and effective

11 June 1998

16. **Recommendation concerning the implementation of the Modification Proposal:**

Transco recommend that this modification is implemented in accordance with the timescales in section (15).

17. **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.

18. **Transco's Proposal:**

This Modification Report contains Transco's proposal to modify the UK-Link Manual as defined in the Network Code and Transco now seeks direction from the Director General in accordance with this report.

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TRANSCO NET CODE DEV

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Signed for and on behalf of Transco.

Signature:


John Lockett
Manager, Network Code

Date:

2-6-98

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 Transco that the above proposal (as contained in Modification Report Reference 0215, version 1.0 dated 1/6/98) be made as a modification to the Network Code.

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

Signature:


Kyran Hanks
Director of Transportation Regulation

Date:

25/6/98

The Network Code is hereby modified, with effect from 30th June '98, in accordance with the proposal as set out in this Modification Report, Version 1.0.

Signature:


Process Manager - Network Code
BG Transco

Date:

29/6/98

19. Text provided pursuant to Rule 8.14:

UK-Link Manual

UK-Link IS Service Definition

Appendix 1

'Transfers of Meter Point Ownership' '50,000 *'

* Per Sites & Meters Database Partition.

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.