

Draft Modification Report
Release by Transco of the Supplier Identity to Gas Consumers and Suppliers
Modification Reference Number 0400

Version 1.0

This Draft Modification Report is made pursuant to Rule 8.9 of the Modification Rules and follows the format required under Rule 8.9.3.

1. The Modification Proposal

Modification of the Network Code is required to facilitate Transco issuing the supplier identity to gas consumers and suppliers on request to its 'M' number help desk.

2. Transco's Opinion

Transco has implemented a service whereby customers and/or suppliers are able to contact its 'M' number help desk requesting identification of the incumbent supplier. Individual consent from all suppliers was obtained to enable this service to proceed. The purpose of seeking consent was to mitigate Transco's exposure to criminal prosecution under Section 42(i) of the Gas Act.

Transco raised Modification Proposal 0400 on 15 May 2000. The purpose of this was initially to establish in the Network Code provision that contracted parties are specifically aware that Transco may issue 'Protected Information' to consumers and suppliers which was originally provided to it by Users (shippers).

Since raising the Modification Proposal, significant developments have occurred within the industry which have led to Transco re-appraising the scope of the projected Network Code changes.

These are summarised as follows:

- Modification of Gas Act Section 42.
- Proposed introduction of a Special Licence Condition on Transco to be known as 17(A).

Transco has therefore re-considered the scope of the Modification Proposal and believes it to be of industry benefit for this to mirror the changes to the Gas Act and Transco's Licence.

The advantages of this approach are that future developments associated with the release of Protected Information to non-Network Code parties by Transco need not be subject to further Modification of the Network Code each time such initiatives are introduced under the auspices of Special Licence Condition 17(A).

Transco tabled the Modification Proposal at the SPA/Metering Workstream held on 25 May 2000. Transco proposed that, as this topic would need to be revisited following resolution of

Section 42 of the Gas Act and the likely full implementation of the 'Access to Data' project, it may be preferable to provide an 'enabling clause' in the Network Code to permit the ongoing, timely release of relevant data.

Transco suggested that Workstream members should reply with any comments regarding its planned revision to the original Modification Proposal by 2 June 2000. Workstream members agreed that pending comments received and the development of appropriate legal text, Transco would submit a Workstream Report to the July 2000 Modification Panel with a recommendation that Modification Proposal 0400 'proceed to consultation'.

One response was received. The respondent sought an explanation with regard to why Transco believed that the Modification was required. The respondent also commented that 'Protected Information' was not the 'same thing' as the release of the supplier identifier as originally proposed in the Modification. Transco's view is that 'Protected Information' is 'any information relating to the affairs of a User which is obtained by Transco pursuant to or in the course of the negotiation, implementation or performance of the Network Code' - which would encompass the supplier identifier. It is therefore appropriate that Transco should seek Modification of the Network Code to ensure that consent of the 'Protected Party', i.e. the User, exists prior to the issue of such information.

The respondent stressed that it would oppose consultation on the Modification without full legal text being made available. Transco therefore included appropriate drafting in its report to the Modification Panel. Transco duly submitted a Workstream report with respect to this Modification Proposal to the July 2000 Modification Panel meeting. The Panel voted that the Proposal 'proceed to consultation'. It was, however, agreed that Transco would not issue this Draft Modification Report until the associated proposed Special Licence modifications were issued for consultation. This would ensure that the consultation period will be co-incident with that for the licence change. Transco understands that the licence consultation period has commenced and has therefore prepared and issued this Draft Modification Report.

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

Implementation of this Modification Proposal is required to facilitate changes to Transco's Licence which will enable and require Transco to issue 'Protected Information' to non-Network Code parties.

The implementation of measures which enable Transco to provide industry access to relevant information is consistent with its relevant objective of facilitating competition in the gas market.

**4. The implications for Transco of implementing the Modification Proposal , including
a) implications for the operation of the System:**

None identified.

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:

None identified.

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

None identified

6. The development implications and other implications for computer systems of Transco and related computer systems of Users

None identified.

7. The implications of implementing the Modification Proposal for Users

Implementation of this Modification Proposal will clarify that Transco may issue 'Protected Information' originally provided by Users where permitted by the Transco's Licence.

8. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non-Network Code Party

Implementation of this Modification Proposal will ensure integrity of the contractual regime between Transco and Users and facilitate the release of data to non-Network Code parties.

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

Implementation of this Modification Proposal will ensure that the Network Code is consistent with the Gas Act and Transco's Licence with respect to the release of data by Transco.

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

Advantages:

Implementation of this Modification Proposal will ensure that Network Code contracted parties are aware that Transco may issue 'Protected Information' to non-Network Code parties which was originally provided to it by Users.

Implementation of this Modification Proposal will negate the need for further modification of the Network Code each time Transco implements initiatives involving the release of 'Protected Information'.

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)

Representations are now sought.

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

Implementation of this Modification Proposal is required to ensure that the Network Code is consistent with The Gas Act and proposed Special Licence Condition 17(A).

13. 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 proposal is not required to facilitate any such change.

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

No works are required to implement this proposal.

15. Proposed implementation timetable (including timetable for any necessary information systems changes)

This Modification Proposal should be implemented upon introduction of Special Licence Condition 17(A).

16. Recommendation concerning the implementation of the Modification Proposal

Transco recommends that this Modification Proposal be implemented.

17. Text

Principal Document Section V.

Amend as follows:

V5.5.3 Nothing in paragraph 5.1 shall apply to the disclosure by Transco of Protected Information:

“(vii) to a consumer or other relevant party to the extent designated by the Director within Special Condition 17A of the Transco Licence.”

Representations are now sought in respect of this Draft Report and prior to Transco finalising the Report

Signed for and on behalf of Transco.

Signature:

Tim Davis
Manager, Network Code

Date: