

Draft Modification Report
Amendment to the provisions governing New Supply Point Registration
Modification Reference Number 0526

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

It is proposed to modify the Network Code as follows:

Amend the definition of Siteworks to exclude the establishment of a New Supply Meter Point. This will clarify that Siteworks for this purpose will no longer be undertaken by Transco in its role as transporter.

Amend the trigger for the ‘election for start up gas’ so that in certain circumstances following Confirmation a User is able to off-take gas prior to the Supply Point Registration Date (SPRD). These circumstances for both Smaller and Larger Supply Meter Points are as follows:

If a Confirmation is submitted where there is no Supply Meter installed at the Meter Point and subsequently a Supply Meter is fitted prior to SPRD, the Network Code will provide for the User being the ‘deemed Registered User’ between meter fix date and SPRD.

If a User submits a Confirmation where a Supply Meter is already installed and requires off-take immediately the Network Code will provide that the User shall be the ‘deemed Registered User’ from the date that the Confirmation was submitted via UK-Link until SPRD for a maximum of 30 days for both Smaller and Larger NDM Supply Meter Points.

Upon registration Transco will notify the User of the meter fix read provided via the Connection & Disconnections route. Unless the User provides an alternative meter reading to Transco the meter fix read will be used for reconciliation purposes.

Amend the Network Code to reflect that for Supply Meter Points (<732,000kWh) a MPRN will be entered into the Supply Point Register when Transco is notified of physical connection to Transco’s system.

During the registration process the User will for all Supply Meter Points confirm or amend the initial AQ value provided to Transco under separate arrangements by the connections company.

Supply Meter Points >732,000kWh will continue to be entered into the Supply Point Register in a planned status reflecting the greater complexity of arranging infrastructure requirements.

Remove redundant and inoperative User liabilities in (G7.6) as these provisions rely upon the no longer operative 'shadow log' provisions.

2. Transco's Opinion

It has been acknowledged by the industry that with the introduction of metering liberalisation it is necessary to review the New Supply Point Registration process and the references to such processes within the Network Code as current processes are contingent on Transco undertaking physical works.

Metering liberalisation introduces complexity into the New Supply Point Registration process as Transco will no longer be undertaking Siteworks to establish a new Supply Meter Point in its role as a gas transporter. Therefore, new control mechanisms within the New Supply Point process are required. In Transco's opinion implementation of this Modification Proposal would put in place the necessary controls

The system changes which require implementation to support this Modification Proposal are as follows:

- Remove validation of the Siteworks Reference Number for Nomination
- Issue of .MSL file to cease
- New Nomination rejection code/with reason "MPRN valid but Meter Point does not exist"

These changes are being discussed by the UK Link Committee and subject to implementation of this Modification Proposal, are all anticipated to be implemented in line with CR7753 which is associated with Modification Proposal No. 0476 "Removal of the requirement to nominate Smaller Supply Points on first Registration".

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

Implementation of this Modification Proposal would better facilitate competition between relevant shippers and relevant suppliers as the Network Code, without implementation of this Modification Proposal, will not reflect the introduction of metering liberalisation and the new MPRN creation Process.

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

No such implications have been identified.

b) development and capital cost and operating cost implications:

Transco would incur development costs associated with enhancing its UK Link system.

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:

Transco does not believe it is appropriate to put in place any cost recovery measures as a result of implementation of this Modification Proposal.

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

No such consequences have been 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

Transco does not believe the level of its contractual risk will change as a result of implementation of this Modification Proposal.

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

Transco would need to modify its UK-Link system. It is also likely that Users would need to enhance their computer systems.

7. The implications of implementing the Modification Proposal for Users

The Network Code would be consistent with the liberalisation of connection and meter fixing activities for New Supply Meter Points. There may also be system implications for Users as a result of implementation of this Modification Proposal.

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

This Modification Proposal creates consistency with metering liberalisation and facilitates the choice of infrastructure providers/connections company to create New Supply Meter Points and carry out connections work.

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

This Proposal aligns the Network Code with the requirements of liberalised infrastructure provision, connection and meter installations for New Supply Meter Points.

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

Advantages:

Supports the introduction of metering liberalisation
Enables a more robust process for registration of New Smaller Supply Points

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 invited.

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 enable Transco to facilitate the introduction of metering liberalisation.

13. The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 4(5) or the statement furnished by Transco under Standard Condition 4(1) of the Licence

Implementation of this Modification Proposal is not required to facilitate any such change.

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

Implementation of this Modification Proposal would require Transco to modify its UK Link system. It is likely that enhancement would also be required to User's computer systems and associated processes.

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

Systems development work is required to enable implementation of this Modification Proposal. Transco believes that the likely implementation of these system changes would coincide with UK Link Change Request 7753 which is due to be implemented in June 2002. Progress on all system changes required through this Modification Proposal is being discussed by the UK Link Committee.

16. Recommendation concerning the implementation of the Modification Proposal

Transco recommends that this Modification Proposal be implemented.

17. Text

Section G Paragraph 1.9

Add new Paragraph 1.9.8 (iii) to read:

“1.9.8(iii) where at any time prior to the Supply Point Registration Date the User considers that any Annual Quantity of a New Supply Meter Point comprised in the New Supply Point which has been recorded on the Supply Point Register does not reflect the User’s estimate of the correct quantity then the User shall promptly (and in any event before Supply Point Registration Date) notify Transco of the same together with its estimate of the correct Annual Quantity”.

Section G Paragraph 2.6

Add new Paragraph 2.6.5 to read:

“ 2.6.5 The Proposing User will not submit a Confirmation in accordance with this paragraph 2.6, (in respect of a New Smaller Supply Point comprising one Supply Meter Point) where such Proposing User is aware that the Annual Quantity in respect of such Supply Point is greater than 73,200kWh (*2,500 therms*) and in such case any application in respect of the same shall be made in accordance with paragraph 2.3.”

Section G Paragraph 7

Paragraph 7.1.2

Add new paragraph (e) to read:

“(e) “Connections Work” is the connection of the service pipe (or any part thereof) for the establishment of a New Supply Meter Point on to the System.”

Add new Paragraph (f) to read:

“(f) “Meter Fix Date” is the date which has been notified to Transco as the date upon which a Supply Meter has been installed at a New Supply Meter Point.”

Paragraph 7.3.1 Delete and substitute:

“7.3.1 Where Connections Work is undertaken then on or as soon as reasonably practical after the relevant date (in accordance with paragraph 7.3.2) Transco will:

(i) enter such New Supply Meter Point and the Supply Meter Point Reference Number for the same on to the Supply Point Register;

(ii) for the purposes of this Section G treat the same as a Supply Meter Point;

save that Transco may do so at an any earlier time in respect of a New Supply Meter Point whose Annual Quantity is greater than 732,000 kWh (25,000 *therms*).”

Paragraph 7.3.2 Delete and substitute:

“7.3.2 For the purposes of paragraph 7.3.1 the relevant date is the date upon which Transco has received notice of the completion of the Connections Work, from the person who has undertaken the same.”

Paragraph 7.3.3 Delete and substitute:

“7.3.3 Subject to paragraph 7.3.7, no person shall be entitled to offtake gas from the System at a New Supply Meter Point at any time before the First Supply Point Registration Date.”

Paragraph 7.3.5 Delete and substitute:

“7.3.5 Any User may, at any time after the time at which a New Supply Meter Point was entered in the Supply Point Register, submit a Supply Point Nomination in accordance with paragraph 2.3.1 and (subject to having received a Supply Point Offer), submit a Supply Point Confirmation in respect of a Proposed Supply Point which includes a New Supply Meter Point.”

Paragraph 7.3.6 Amend to read:

“7.3.6 Where a User submits

(a) a Supply Point Nomination in accordance with paragraph 2.3 (in respect of a Larger Supply Point ,or a New Smaller Supply Point and there is more than one Supply Meter Point comprised in the Proposed New Smaller Supply Point):

(i) the User shall provide ...etc .”

(b) a Confirmation in accordance with paragraph 2.6 then the User shall be deemed to have provided User’s estimate of the quantity which the User expects to be offtaken from the System at the Supply Meter Point in a 12 month period under seasonal normal conditions, which estimate shall (if the Supply Point Confirmation becomes effective) be the Annual Quantity for the Supply Meter Point ”

Paragraph 7.3.7- Delete

Paragraph 7.3.8 – Delete

Paragraph 7.3.9 Delete and substitute new paragraph 7.3.7

“7.3.7 In respect of both Smaller and Larger Supply Meter Points:

(a) where a Confirmation (including any subsequent Confirmation) in respect of a New Supply Meter Point has been submitted then in the absence of a rejection of such Confirmation :

(i) where the Meter Fix Date is prior to the date upon which such Confirmation is submitted, the Proposing User which submitted such Confirmation will be treated as being the Registered User (but not an Existing Registered User) from

(1) the Meter Fix Date, where such Proposing User is the person that has submitted the Meter Fix Reading as described M3.8.11(a);

(2) the date such Confirmation is submitted, where such Proposing User is not the person that has submitted the Meter Fix Reading as described in M3.8.11(a); until the Supply Point Registration Date ; .

(ii) where the Meter Fix Date is after or upon the date on which such Confirmation is submitted, the Proposing User which submitted such Confirmation will be treated as being the Registered User (but not an Existing Registered User) from the Meter Fix Date until the Supply Point Registration Date .

(b) Where the Proposing User is treated as being the Registered User, the Proposing User shall, notwithstanding that there is no Supply Point Registration in respect of the Proposed Supply Point (and irrespective of the Proposed Supply Point Registration Date) be permitted to offtake gas from the System at such New Supply Meter Point.

(c) the quantity of gas (if any) so offtaken on any Day will be counted as an UDQO of the User for the purposes of Code (and in particular the User will be liable to pay any appropriate Transportation Charges in relation thereto).

(d) for the purposes of the first NDM Reconciliation the quantity of gas (if any) so offtaken will be counted as part of the Reconciliation Quantity (for which purposes a quantity of zero shall be assumed to have been offtaken); and accordingly the User will be liable to pay Reconciliation Clearing charges and Reconciliation Transportation Charge Adjustments in respect of the quantity of gas (if any) so offtaken.

- (e) where any Confirmation (including any subsequent Confirmation) has been rejected by Transco then the Proposing User whose Confirmation has been rejected shall promptly take steps to ensure gas is not offtaken at the New Supply Meter Point.

Paragraph 7.3.10 and 7.3.11 Delete.

Paragraph 7.6 Delete

Section M Paragraph 3.8

Add new Paragraph 3.8.11

“3.8.11 For the purposes of paragraph 3.8.2, where in respect of the installation of a Supply Meter Installation, Transco receives a notice in accordance with The Gas Meters (Information on Connections and Disconnections) Regulations 1996 which provides a Meter Reading (“Meter Fix Reading”) then (a) where such Meter Fix Reading has been submitted to Transco by a Shipper in accordance with its Shippers Licence and the Registered User is such Shipper, then such Meter Fix Reading shall be treated as the Opening Meter Reading of the Supply Meter Point and any Opening Reading subsequently submitted by such Registered User shall be disregarded, (b) where an Opening Meter Reading (which differs from the Meter Fix Reading) has been submitted to Transco by a Registered User and such Registered User is not the person which provided the Meter Fix Reading to Transco in accordance with the above regulations, then such Opening Meter Reading submitted shall be the Opening Meter Reading.”

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:

Steve R Phillips
Director of Shipper Services

Date: