

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0661
"Non-release of Identity of the Incoming Shipper/Supplier to the Incumbent upon Supply Point
Transfer Processes for Industrial & Commercial Supply Point Transfers"
Version 1.0

Date: 28/10/2003

Proposed Implementation Date:

Urgency: Non-Urgent

Justification

Last year, Ofgem approved Modification Proposal 0487, "Release of the identity of the incoming shipper/supplier to incumbent upon supply point transfer". While the modification was generally supported by shipper/suppliers to the domestic market, there were responses from shippers who only supplied the industrial and commercial (I&C) market, including Shell Gas Direct, opposing the modification proposal.

The domestic and I&C markets differ in many ways which reflects the different responses. While there may be benefits, as outlined in Ofgem's decision letter, for the domestic market in releasing this data, we continue to believe that the benefits for the I&C market outlined in Ofgem's letter, ie resolving inter-shipper disputes (ISDs) and erroneous transfers (ETs) are not significant enough to outweigh the disbenefits. Since this modification has been approved, I&C customers have repeatedly expressed the view that they do not wish for their incumbent shipper to automatically learn the name of the incoming shipper. For the I&C market, business is often won through tendering arrangements, and the contracting party may wish to keep their decision confidential. For the I&C gas market, the number of ETs and ISDs are not significant and are already, where necessary, resolved by the consumer revealing this information only as necessary.

Nature of Proposal

This proposal would mean that the release of the identity of the incoming shipper to the outgoing shipper (M487) would only be implemented for domestic supply points. Under Suppliers Licence Condition 17, all suppliers must tell Transco whether the sites they supply are domestic or non-domestic. Transco uses this data to flag whether sites are 'I' or 'D'. This flag could be used as a gateway test on whether this data is released.

Purpose of Proposal

The purpose of this proposal is to ensure that the Network Code arrangements reflect the different needs of the domestic and I&C gas markets.

Consequence of not making this change

If this modification is not approved, then when M487 is implemented incoming shippers will be able to ascertain the identity of the incoming shipper. While this may further effective competition for the domestic gas supply market, it will undermine effective competition in the I&C market. This modification proposal, if implemented, would further effective competition between relevant suppliers, ie suppliers to the I&C market thereby furthering the Relevant Objectives of the Network Code.

Area of Network Code Concerned

Section G

Proposer's Representative

TANYA Jean Morrison

Proposer

Shell Gas Direct

Signature

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