Review Proposal 0700 "Formation of a Development Workgroup to consider Formal Separation of I&C and Domestic Processes, Procedures and Flows"

Review Group Report

1.0 Summary

1.1 BP Gas Marketing Ltd (the proposer) raised Modification Proposal 0700 "*Formation of a Development Workgroup to consider Formal Separation of I&C and Domestic Processes, Procedures and Flows*" on 7 June 2004 which advocated the formation of a group to consider the formal separation of Network Code and associated protocols to facilitate distinct Domestic and I&C processes, procedures and flows.

1.2 The Proposal was tabled at the June 2004 Modification Panel which directed that the Proposal be treated as a Review Proposal pursuant to section Y10 of the Network Code. The Modification Panel further tasked the Supply Point and Billing Workstream with compiling an appropriate Terms of Reference for the Review Group.

1.3 Following agreement of the Terms of Reference, Review Group meetings were convened on 4 occasions in late 2004 with agenda items focussing on the processes in the Network Code upon which the Group wished to focus, identification of options for the separation of such processes, and assessment of the extent of the benefit likely to be realised by such a split.

1.4 The Review Group concluded that

- historic evidence did not sufficiently demonstrate that development of the Network Code had been driven by Users solely active in a distinct market sector (i.e. Smaller or Larger Supply Points).
- historic evidence did not sufficiently demonstrate that a User active in one market sector only had been required to implement change that had been driven by (and only of benefit to) the market sector in which it was not active.
- historically, a Modification Proposal beneficial to a distinct market sector may not have been raised due to the prevailing change management processes and the market conditions affecting the likely chance of success.
- it is appropriate to suspend the activities of the Review Group pending the outcome of the Customer Transfer Programme.
- consideration of any requirement to reconvene the Review Group will be discussed at the Supply Point and Billing Workstream, anticipated to be at the April 2005 meeting.

2.0 Introduction

2.1 The proposer raised Modification Proposal 0700 "*Formation of a Development Workgroup to consider Formal Separation of I&C and Domestic Processes, Procedures and Flows*" on 7 June 2004. The proposer highlighted the purpose of the Proposal as being to consider the formal separation of Network Code and associated protocols to facilitate distinct Domestic and I&C processes, procedures and flows. The proposer suggested that this could engender the separation of all existing file formats from the date of DN disposal with the creation of market specific sets of version-controlled files and formats.

2.2 The June 2004 Modification Panel directed that the Proposal be treated as a Review Proposal and tasked the Supply Point and Billing Workstream with compiling the Terms of Reference.

2.3 Following discussion at the June 2004 and July 2004 Supply Point and Billing Workstreams and feedback from Users, the Terms of Reference (see appendix 1.1) were presented to, and approved by, the August 2004 Modification Panel. The Terms of Reference clarified that the Review was restricted to consideration of the benefits of separate processes in the Network Code (to the exclusion of consideration of operational processes and procedures) and reiterated that, as per Network Code rules the Review Group did not itself have the ability to raise Modification Proposals. The Terms of Reference further specified that any recommendations of the Review Group should be subjected to cost benefit analysis with specific consideration of the pros and cons for all stakeholders.

2.4 The following timetable details the main process events:

Review Proposal raised	07 Jun 2004
Modification Panel refer to Supply Point and Billing Workstream	17 Jun 2004
Review Proposal Workstream discussion	24 Jun 2004
Terms of Reference Workstream discussion	22 Jul 2004
Terms of Reference approved by Modification Panel	19 Aug 2004
Meeting 1 of Review Group 0700	07 Sep 2004
Meeting 2 of Review Group 0700	22 Sep 2004
Meeting 3 of Review Group 0700	02 Nov 2004
Meeting 4 of Review Group 0700 (approve interim Report)	30 Nov 2004

2.5 The Review Group identified that a report of the work and recommendations of the Review Group should be prepared and presented to the December 2004 Modification Panel (taking place on 16 December 2004).

3.0 Issues Discussed

3.1.1 Representation from iDNs

The Review Group discussed the requirement or otherwise for representation by purchasers of Distribution Networks at meetings of the Review Group. Transco stated its uncertainty as to the appropriateness of inviting prospective purchasers of Networks to meetings of the Review Group given that the sale process has not yet been completed but reflected that it had no firm objection in principle. Transco, however, expressed a requirement that Review Group members should agree to the attendance of the purchasers' representatives.

3.1.2 Nevertheless it was agreed that it would be desirable for such purchasers to have an awareness of the work of the group and thus appropriate material should be issued to them.

3.2.1 Reasons for separation

The proposer outlined that the Licensing regime and Network Code already recognise a number of distinct differences between the Domestic market and the Industrial and Commercial market. Indeed some processes are bespoke to that particular market segment e.g. the Nomination and Offer process in the I&C market. However, the proposer commented that the system protocols remain bundled under the current relationship with the dominant Gas Transporter in the UK with the consequence that the systems cannot efficiently support the different business drivers of the two markets – i.e. changes made to provide benefits for one market could be solely a cost imposition on the other market.

3.2.2 The proposer believed that in addition, a number of Code modification proposals have been raised to align gas processes and procedures with the Electricity market. Dual fuel retailers in the Domestic market have principally driven such changes with no clear cost benefit justification for those operating solely in the Gas market. The proposer suggested it could be argued that this has frustrated sensible developments within the Domestic market.

3.2.3 The proposer believes the separation that currently exists in both the licensing regime and Network Code itself should be extended to a formal separation of processes, procedures and flows for Domestic and Industrial and Commercial market participants. It assessed that this will better facilitate the achievement of securing effective competition between relevant shippers and relevant suppliers with consequent benefits for end consumers.

3.2.4 If such separation was subsequently achieved the proposer believed that this would allow the optimisation of particular market segments without imposing costs on those participants not operating in that market segment.

3.2.5 Subsequent discussions and work carried out by the Sub-group sought to assess the extent of historic Network Code development which has been driven by individual market sectors and in addition the level of changes made to provide benefits for one market that have also involved a cost imposition on the other market. Details of this analysis is detailed in section 3.6, below.

3.3.1 Basis of Separation

It was suggested that the basis for separation could be an *industrial & commercial* (*I&C*) and a *domestic* split The proposer also highlighted that a 'channel' approach may be feasible whereby a User is able to select which path (i.e. I&C or domestic) it adopts for management of its Supply Points regardless of which category such Supply Points are in.

3.3.2 The Review Group identified that the I&C and domestic definitions are usage based in which the actual consumption of such a site is not relevant. Such usage-based definitions are present in the appropriate market participant's Licence as granted under the Gas Act 1986. It was established that the reason for such a definition was two-fold:

- To align with definitions in the electricity industry, and
- In order to identify relevant consumers in a Supplier of Last Resort scenario in order that a supplier with the appropriate licence is appointed.

3.3.3 The current basis of separation contained within Network Code is a volume-based definition whereby the historic annual consumption of a site is assessed. Dependant on the consumption relative to the 73,200 kWh threshold, the site is deemed to be a 'Smaller Supply Point' (annual consumption up to and including 73,200 kWh) or a 'Larger Supply Point' (in excess of 73,200 kWh). This categorisation is utilised in a number of key Network Code processes, for example Energy balancing, Demand Allocation, and reconciliation of Transportation Charges.

3.3.4 It was established that the Supply Point Register currently records the User provided site designation ('usage' based) as required by the following licences but this data is not required for, or utilised in the operation of any further Network Code processes

- *GT Licence – Standard Condition 5 'System Development Obligations'*
  Obligation for GT to record site usage (domestic/non-domestic) where supplied by Shipper.

- *Shipper Licence – Standard Condition 8 'Information in Respect of Premises Served'*
  Obligation for Shipper to provide details of site usage to GT.

- *Supplier Licence Condition 16*
  Obligation for Supplier to provide information to shipper for onward transmission to GT.

3.3.5 The group considered the appropriateness of amendment of licences to reflect the volume definition as per Network Code. This was concluded to be inappropriate due to the reasons highlighted in section 3.3.2, above. Ofgem indicated that it intends to instigate a review of the Supplier Licence to identify amongst other things any redundant or inappropriate conditions and will invite suppliers to contribute to this exercise. Further details of this review will be released in due course.

3.3.6 The group also considered the feasibility of amendment of the Network Code to reflect the usage definition as per licences. Transco pointed out that to amend the Network Code regime to be based on a 'usage' based definition would be fundamental change and would require overhaul of systems and the Network Code.

3.4.1 Aspects of Network Code Concerned

The Review Group identified the high level processes governed by Network Code and sought to identify those processes that the proposer viewed as the subject of the Proposal for separation. Following discussion of Network Code Processes mapped against the Supply Point Lifecycle (see appendix 2.2) the Group identified that the Review should examine the 'retail' aspects of Network Code as opposed to the 'wholesale' elements. In defining 'retail', the Review Group identified that this referred to the Supply Point related activities, the majority of which are contained within section G ('Supply Points') of the Network Code. The group identified that there was potentially scope for Section M (Supply Point Metering') to be considered.

3.5.1 Rearrangement of Section G

The Review Group considered the potential arrangement of Section G in the event that Network Code regimes were distinctly aligned between Smaller and Larger Supply Points (see appendix 3.2). This arrangement envisaged no change to the current provisions with the aim being to apply a logical order to the section to provide greater clarity on the applicability of Network Code Processes to individual market sector participants.

3.5.2 It was acknowledged that Section G had been the most Modified section of Network Code and the current structure of the section to a degree reflected the chronological order of Modifications implemented. It was suggested that the current structure of the section creates confusion in respect of assessment of Users' obligations.

3.5.3 The potential arrangement comprised of the following four main sub-sections:

3.5.4 *Introduction* – identification of core definitions (eg: 'Supply Point', 'Registered User')

3.5.5 *Common Concepts/Services* – identification of concepts and services common to both Larger and Smaller Supply Points (eg: Single Premises Requirement, Supply Point Withdrawal and Isolation, Annual Quantity)

3.5.6 *Smaller Supply Points* – identification of contractual requirements to register Smaller Supply Points (ie: reflecting 'Confirmation only' process).

3.5.7 *Larger Supply Points* - identification of contractual requirements to register Larger Supply Points (ie: reflecting 'Nomination/Confirmation' process, Shared Supply Meter Points etc.).

3.5.8 It was suggested that the benefit of such a reorganisation would be the evolution of systems and processes based on more independent provisions.

3.5.9 Transco has identified that such a reorganization of Section G would require substantial effort to redraft and cross-check all code numbering references within the Section and throughout the Network Code and would require several weeks of legal resource.

3.6.1 Analysis of Benefit – Historic Analysis of Modifications

The Review Group recognised that any options identified to separate Network Code processes must be subjected to a cost benefit analysis. In assessing the benefit of such a separation, the Review Group undertook analysis to identify the degree of difficulty created by the historic attempts to modify the Network Code (a number of which were successful). In its Proposal, the proposer stated a belief that changes made to provide benefits for one market may have been solely a cost imposition on the other market with no apparent benefit.

3.6.2 Initially, historic implemented Modifications specific to Supply Points were identified (see appendix 3.3) and assessed in terms of applicability to individual market sectors or to both. The outcome of the analysis was as follows:

Market Sector/s Impacted >	**Larger Supply Points**	**Smaller Supply Points**	**Both**
Number	6	7	38
Percentage	11.8%	13.7%	74.5%

3.6.3 It was assessed that none of the 13 implemented Modifications specific to either the Larger or Smaller Supply Point sector required implementation activity by Users active in the 'non impacted' market sector.

3.6.4 In order to complete the analysis, the Review Group supplemented the above by undertaking analysis of rejected and withdrawn Modification Proposals. Review Group Members were invited to consider a maximum of 100 Proposals identified, and provide an assessment in respect of three questions as follows:

3.6.5 *Would separate regimes for Smaller and Larger Supply Points have altered the support/objections of individual market sector participants?*

3.6.6 *Were both market sectors [required to implement/would have been required to implement] this [Modification /Modification Proposal] regardless of whether the change was driven by, or impacted only one of the market sectors?*

3.6.7 *In terms of implementation, what [was/would have been] the degree of impact in terms of implementation costs? 1 - low (<£5k), 2 - low/medium (£5k-£10k), 3 - medium (£10k-£20k), 4 - medium/high (£20k-£40k), 5 - high (£40k+)*

3.6.8 The aim of the three questions was to make an assessment of the impact on Users views and representations (in respect of Modification Proposals) in the event that Network Code retail obligations were separated according to Larger/Smaller Supply Points. Where Proposals were specific to one market sector, evaluation was required as to whether Users operating in the non-impacted market sector were required to implement changes, and if so, the scale of investment required.

3.6.9 In all, four Review Group members (in addition to Transco) provided a response. Therefore in all, there were five hundred responses for each of the questions highlighted in 3.6.5 and 3.6.6 above. Due to confidentiality considerations and uncertainty as to precise costs, a limited response (by two respondees) was provided to the question highlighted in 3.6.7.
3.6.10 Evaluation of the responses to the questions highlighted in 3.6.5 and 3.6.6 above is detailed in the table below:

Question	**'Yes'**	**'No'**
Would separate regimes for Smaller and Larger Supply Points have altered the support/objections of individual market sector participants?	3	497
	0.6%	99.4%
Were both market sectors [required to implement/would have been required to implement] this [Modification /Modification Proposal] regardless of whether the change was driven by, or impacted only one of the market sectors?	2	498
	0.4%	99.6%

3.6.11 From the analysis, the Modification Proposals that may have received different User representations in the event that separate regimes for Smaller and Larger Supply Points were Proposals 0603, 0468 and 0468a (see appendix 4.2).

3.6.12 From the analysis, the Modification Proposal that both market sectors would have been required to implement (in spite of the fact that the change was driven by a market sector in which the User is not active) was Proposal 0603 (see appendix 4.2).

3.6.13 In respect of the question described in 3.6.7 (above) the response is summarised in the following table:

In terms of implementation, what [was/would have been] the degree of impact in terms of implementation costs?	1 - low	2 - low/ medium	3 - medium	4 - medium / high	5 - high	No response/ uncertain	Total
Number	26	3	3	0	1	69	102
Percentage	25.5%	2.9%	2.9%	0.0%	1.1%	67.6%	100.0%

3.6.14 The analysis above demonstrated that, based on analysis of historical activity, development of the Network Code had not been driven to a great degree by an individual market sector. In individual cases where this had occurred, it had not imposed any unnecessary implementation costs on Users active exclusively in the non-impacted market sector.

3.6.15 It was acknowledged that historically, Users may have been reluctant to raise Modification Proposals specifically beneficial to one market sector in light of the limited likelihood of success.

3.6.16 In light of the analysis undertaken, no significant benefit can be demonstrated for separation of Network Code regimes (into Smaller and Larger Supply Point components). The analysis further indicated that if separate regimes had been in place, this would not have materially impacted the views of the majority of Users expressed in respect of the Modification Proposals.

3.6.17 During the review, Transco received User feedback that separate regimes could impose costs on those Users active in both market sectors. The following analysis shows the level of Users operating in specific or both markets.

Data as at 14 Nov 2004	Users with Larger Supply Points Exclusively	Users with Smaller Supply Points Exclusively	Users with Larger and Smaller Supply Points
Number	4	2	34
Percentage	10%	5%	85%

3.7.1 Industry Developments in other fora

The Customer Transfer Programme ('CTP') was formed in response to widespread recognition that the industry processes for transferring customers between suppliers do not always deliver a positive customer experience. The programme's aim is to develop a transfer process that is efficient with effective resolution mechanisms in place in the event that customer issues arise and problems occur. A representative from the programme attended 3 of the Review Group meetings.

3.7.2 The CTP recognises that any solutions developed will aim for an equitable impact on all market participants and their systems and processes where appropriate and practical. Longer-term improvements aim to deliver reductions in cost for all market participants. Section G of the Network Code is the area that would be impacted by any CTP recommendations that were implemented through the modification process.

3.7.3 In light of the ongoing work of the CTP, it was agreed to suspend the work of the Review Group pending the outcome of the CTP (anticipated to be end of quarter 1, 2005). It was considered that the findings of that forum may help identify whether any development of the Network Code regime within the remit of Review Group 0700 would be beneficial. At this point, the Supply Point and Billing Workstream will evaluate whether there is a requirement to re-convene the Review Group and report to the Modification Panel accordingly.

3.8.1 Systems Strategy

Transco continue to operate and develop systems that enable the fulfillment of GT Licence and Network Code obligations. Where there is a need or benefit for change, Transco is committed to support and comply with the processes to propose, review and authorise amendments to obligations and/or systems that demonstrate benefit to the industry.

4.0 Conclusions

4.1 The Review Group concluded that

- historic evidence did not sufficiently demonstrate that development of the Network Code had been driven by Users only active in a distinct market sector (i.e. Smaller or Larger Supply Points).
- historic evidence did not sufficiently demonstrate that a User active in one market sector only had been required to implement change that had been driven by (and only of benefit to) the market sector in which it was not active.
- historically, a Modification Proposal beneficial to a distinct market sector may not have been raised due to the incumbent change management processes and market conditions affecting the likely chance of success.
- it is appropriate to suspend the activities of the Review Group pending the outcome of the Customer Transfer Programme.
- consideration of any requirement to reconvene the Review Group will be discussed at the Supply Point and Billing Workstream, anticipated to be at the April 2005 meeting.

4.2.1 *Deliverable 1: Undertake a cost benefit analysis (identifying advantages and disadvantages/risks) associated with conducting the review*
The scope of the Review was clarified as a Review of Network Code processes only (to the exclusion of operational processes and procedures). The extent of market sector driven development of Network Code was examined which involved analysis of 100 Modifications from 1998 to present. From the historical evidence there appeared to be no advantage in separation of regimes by Larger/Smaller Supply Point. It was however acknowledged that a benefit may be realised in respect of a 'future state' but such benefit would only be quantifiable at that time.

4.3.1 *Deliverable 2: Dependant on the outcome of cost benefit analysis, identify the options for achieving the aim of the review.*
It was identified that the 'retail' aspects of Network Code (the majority of which are contained within Section G) were the subject of the Review. Subsequently the option for reorganisation of Section G according to market sector relevance was examined. Transco considers that the cost of undertaking a reorganisation of Section G would be substantial (see 3.5.9).

4.4.1 *Deliverable 3: Identification of the advantages/benefits and disadvantages/risks for individual stakeholders associated with the options identified.*
The advantages/benefits for such a change were not established. Based on historical evidence there appeared to be no evidence of market sector driven development of Network Code (or requirement to implement Modifications with no apparent benefit). The disadvantage of a disparate regime would be the imposition of greater costs on Users operating a single system.

4.5.1 *Deliverable 4: Subject to Review Group consensus, make recommendations in respect of any further work to be undertaken.*
See 5.0 Recommendations, below.

5.0 Recommendations

5.1 The Review Group recommends suspension of the work of the Review Group pending the outcome of the CTP (anticipated to be end of quarter 1, 2005). It was considered that the findings of that forum may help identify whether any development of the Network Code regime within the remit of Review Group 0700 would be beneficial. Thus, it is recommended that discussion of such be added to the agenda for the March 2004 Supply Point and Billing Workstream.

5.2 Subsequent to the conclusion of the CTP, it is recommended that the Supply Point and Billing Workstream evaluates whether there is a requirement to re-convene the Review Group and report to the Modification Panel accordingly.

5.3 Due to the lack of demonstrable benefit for the reorganisation of Section G of Network Code (as described in section 3.5), this is not a recommended course of action.

5.4 As required by section 5.1, the Supply Point and Billing Workstream discussed the outcome of the CTP (and any requirement for further work in respect of this Review) on 24 March 2005. The Network Code Modification Proposals that have been raised as a consequence of the CTP are:

- Modification Proposal 0741 'To allow the use of a new type of read - an early or Point of Sale read - in estimating a Change of Supplier Meter Reading', and
- Modification Proposal 0742 'To allow the use of an Old Supplier Estimated Read as a Change of Supplier Meter Reading'

5.5 The Supply Point and Billing Workstream concluded that there was no requirement to reconvene the Review Group and therefore recommends acceptance by the Modification Panel of this finalised Review Group Report.

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Appendix 1.1

Review Proposal 0700 - Formation of a Development Workgroup to consider Formal Separation of I&C and Domestic Processes, Procedures and Flows

Terms of Reference (v3.0)

Purpose

A Network Code Review Group is required to identify and consider the advantages and disadvantages of potential new regimes featuring the separation of elements of the Network Code into 'domestic' and 'industrial and commercial' (I&C) components.

It is envisaged that the outcome of this Review Group may necessitate a 'second phase' to consider options identified in the Review Group Report in greater depth.

Background

BP Gas Marketing raised Modification 0700 'Formation of a Development Workgroup to consider Formal Separation of I&C and Domestic Processes, Procedures and Flows' on 7th June 2004. The June 2004 meeting of the Modification Panel subsequently determined that the Proposal should be subjected to Review procedures.

BP Gas Marketing establishes that the licensing regime and Network Code already recognises a number of distinct differences between the 'domestic' and 'industrial and commercial' markets. BP notes that some processes are bespoke to a particular market segment, e.g. the Supply Point 'nomination' and 'offer' process within the I&C market. However, BP believes that the system protocols remain 'bundled' under the current relationship with the dominant Gas Transporter in the UK with the consequence that such systems cannot efficiently support the different business drivers of the two markets – i.e. changes made to provide benefits for one market could be solely a cost imposition on the other market. BP's view is that this is primarily a consequence of the technical design of the UK Link system. Variations can only be achieved where they have no system impact or they are implementing a sub-set of existing functionality.

BP believes that the separation that currently exists within the licensing regime and to a lesser extent within the Network Code should be extended to a formal separation of processes, procedures and flows for 'domestic' and 'industrial and commercial' market participants. BP claims that this would better facilitate the achievement of securing effective competition between relevant shippers and relevant suppliers with consequent benefits for end consumers.

It was reconfirmed that any recommendation for change~~s~~ arising from the work of the group would be subject to future Modification Proposals which in themselves would be subject to the full Modification Rules governance process.

Scope

To the extent to which the Network Code would have to be modified to differentiate between the market sectors identified in Modification Proposal 0700.

Deliverable

The Review Group will undertake the following work:

1	Undertake a cost benefit analysis (identifying advantages and disadvantages/risks) associated with conducting the review
2	Dependant on the outcome of cost benefit analysis, identify the options for achieving the aim of the review.
3	Identification of the advantages/benefits and disadvantages/risks for individual stake holders associated with the options identified.
4	Subject to Review Group consensus, make recommendations in respect of any further work to be undertaken.

A Review Group Report containing the findings of the Group in respect of the work identified above.

Limits

The Review-group will concern itself with considering changes required to the following:
- Network Code.

The Review-group will not concern itself with:
- Changes required to existing processes and procedures
- Changes required to existing systems
- Development of Modification Proposals or business rules

Composition

The Review Group will comprise the following representation

Name	Organisation
Chris Warner (Chair)	Transco
Phil Lucas (Minutes)	Transco
Lee Foster	Transco (xoserve)
Fiona Cottam	Transco (xoserve)
Hazel Morrison	EdF Energy
Alex Travell	e.on
Cher Harris	Scottish & Southern
Steve Ladle	Total Gas & Power
Grant Barr	ScottishPower
Steve Mulinganie	BP
Mick Curtis	EMC²
Simon Howe	npower
Tanya Morrison	Shell Gas Direct
Graham Wood	BGT
Sam Parmar	Statoil
Roger Morgan	Ofgem

Meeting is quorate with 1 Transco and 4 User representatives present. User representation is required from all market sectors. Minimum representation required: 1 I&C, 3 domestic/I&C Users.

All Users are invited to attend the meeting without limitation.

Information Sources

- Transco – User Network Code – Sections E, G, H, M, S (others to be identified).
- Supply Point Administration Agreement (SPAA).
- 'Improving customer transfers' initiative.
- SPA reform workgroup.
- NGT Distribution Network sales.
- GT, Shipper and Supplier Licences.
- Gas Act.
- MAMCoP
- Various Industry legislation as appropriate – may include reference to:
    - Gas Safety (Installation & Use) Regulations.
    - Gas Safety (Management) Regulations.
    - Connection & Disconnection Regulations.
    - Industry Codes of Practice as relevant.

Timetable

The inaugural meeting of the Review Group is envisaged to be early September 2004. It is intended that a report (as referred to in 'Deliverable' above) will be made to the December 2004 Modification Panel.

Note: Members of the Supply Point & Billing Workstream have identified that depending on progress made and the complexity of the issues under review, it may be necessary to seek additional time for conclusion of the Review. In any event a report will be made to the December 2004 Network Code Modification Panel in accordance with the above timescales detailing progress and expected delivery dates if not complete by December 2004

- Frequency of meetings – fortnightly. The frequency of meetings will be subject to review and potential change by the Review Group.
- Formal meeting invitations/notice issued by Transco requiring response.
- Meeting quorate with Transco and 4 User representatives present.
- If insufficient response indicating attendance is received, meeting will be cancelled no later than D-2.
- Discussion restricted to those items contained within the agenda distributed at latest D-5.
- Detailed meeting notes from the previous meeting to be widely circulated no later than 5 business days following the meeting, and a copy issued to the Supply Point and Billing Workstream distribution list.

Appendix 2.1

Review Group 700

What is Included

- Determine the benefits of separate processes in the Network Code
- Determine the basis on which separate processes should be defined
- Determine how the Network Code would need to be changed to support separate processes
- Determine what are the next stages

What is excluded

- The raising of any modification by the group
- Any amendment to the Network Code

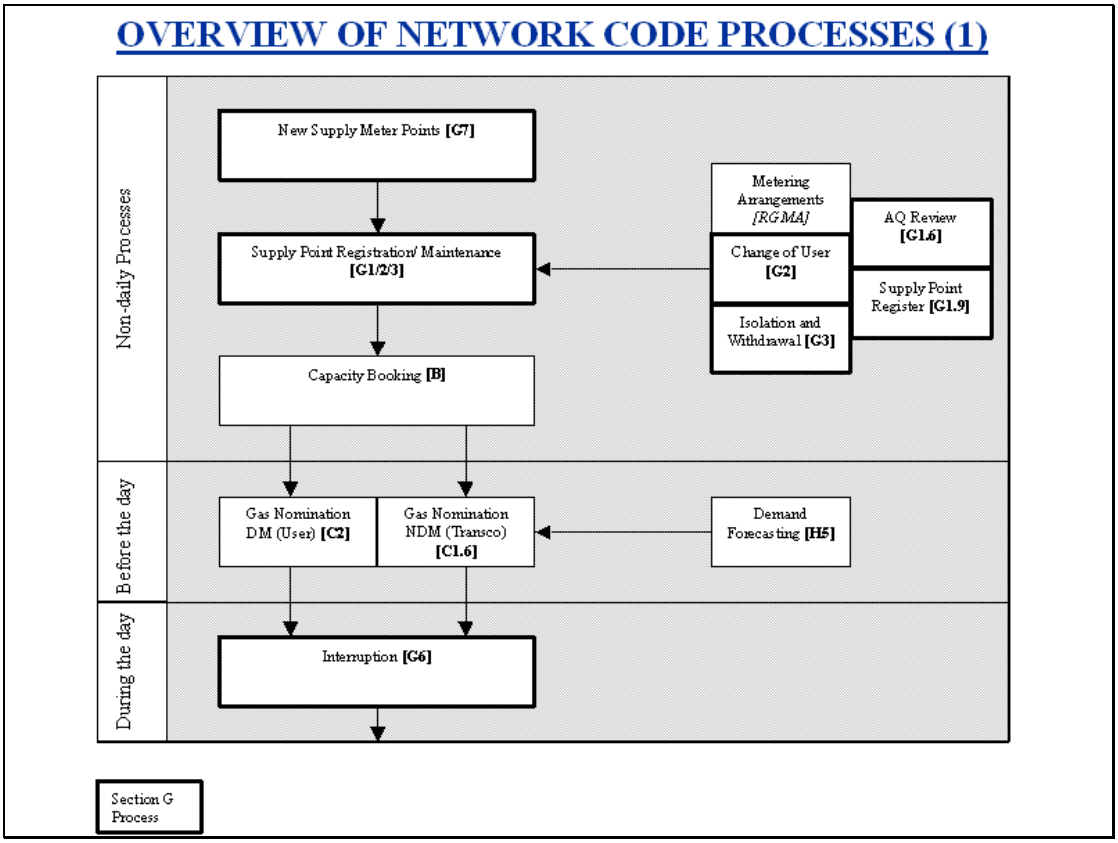
Output from the Group

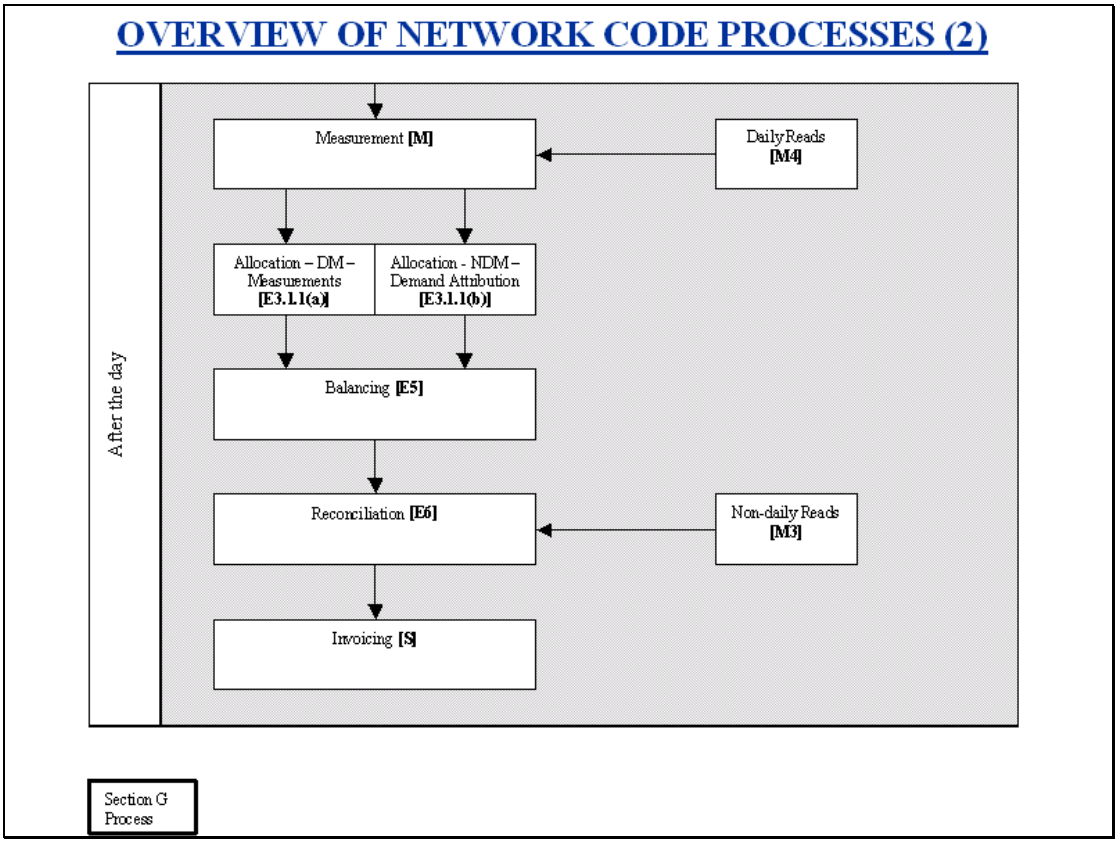
- Report of work carried out and any conclusions
- Where consensus reached, recommendations as regards further work

Timetable

- 3 month target for report
- First meeting
  - 7th September 2004
- Fortnightly meetings
  - Dates to be determined
  - Frequency subject to review
- Report to December 2004 Modification Panel

Appendix 2.2


OVERVIEW OF NETWORK CODE PROCESSES (1)
Non-daily Processes
New Supply Meter Points [G7]
Supply Point Registration/ Maintenance [G1/2/3]
Capacity Booking [B]
Metering Arrangements [RGMA]
Change of User [G2]
Isolation and Withdrawal [G3]
AQ Review [G1.6]
Supply Point Register [G1.9]
Before the day
Gas Nomination DM (User) [C2]
Gas Nomination NDM (Transco) [C1.6]
Demand Forecasting [H5]
During the day
Interruption [G6]
Section G Process


OVERVIEW OF NETWORK CODE PROCESSES (2)
After the day
Measurement [M]
Daily Reads [M4]
Allocation – DM – Measurements [E3.1.1(a)]
Allocation - NDM – Demand Attribution [E3.1.1(b)]
Balancing [E5]
Reconciliation [E6]
Non-daily Reads [M3]
Invoicing [S]
Section G Process

Appendix 3.1

Review Proposal 0700

Chris Warner – Contract Development Manager

22 September 2004

National Grid Transco

Principles Identified in Meeting 1

- Focus on 'Retail' aspects of Network Code.
- Benefits possible in separation of Network Code processes.
- No assumption of systems replacement.

National Grid Transco

Changes Identified as Within Scope

- Separation could be based on current definitions of Larger and Smaller Supply Points.
- Section G provisions: Supply Points
  - 'Reactive' development of section.
  - Sections added according to chronological Modifications.
  - Possibly the longest and most Modified section in Network Code.
- Potentially Section M

National Grid Transco

Changes Identified as Outside of Scope

- Separation based on I&C / Domestic criteria as per non Network Code authorities.
- Separation of 'wholesale' activities (energy balancing, capacity etc.)
- Separation of Billing / Reconciliation activities.
- Network Code Modification requiring systems change.

National Grid Transco

Drivers

- Clearer documentation of Supply Point registration path.
- Clearer specification of User obligations.
  - Impact of future change more easily assessed.
- Easier identification of systems requirements.
  - New entrants
  - UK Link Manual

National Grid Transco

Transco Analysis

- Feasibility of re-organisation of Section G.
- Contents ordered to:
  - Identify key definitions.
  - Identify Concepts and Services common to both Smaller and Larger Supply Points
  - Identify steps to register Smaller Supply Points
  - Identify steps to register Larger Supply Points
  - Identify concepts and services specific to Smaller Supply Points
  - Identify concepts and services specific to Larger Supply Points
- Aims to provide greater clarity on applicability of Network Code Processes to separate market sectors.

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Conclusion from Analysis

- Such a change would require Network Code Modification and therefore further the GT Licence Code Relevant Objectives.
  - Does the change further the relevant objectives?
- Should the Review Group identify this as a way forward, a Cost Benefit analysis would be required
  - Significant Legal resource would be required to redraft Section G and ensure the validity of all cross references elsewhere in Network Code and other associated documentation (eg: UK Link Manual.)
  - Benefit unclear: for example Confirmation file contains emergency contact details and is used for both market sectors (not populated for SSPs) – how would reorganisation of G alleviate?

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Extent of Market Sectors Driving Changes?

- 1998 to 2003 (6 years) – 51 Supply Point related Modifications implemented.
  - 7 specific to Smaller Supply Points (13.7%)
  - 6 specific to Larger Supply Points (11.8%)
  - 38 applicable to both (74.5%)
- Of the 7 specific to Smaller Supply Points
  - Were Larger Supply Point Users required to implement any changes?
- Of the 6 specific to Larger Supply Points
  - Were Smaller Supply Point Users required to implement any changes?
- Transco view is that level of change specific to one market sector which requires implementation by both sectors is minimal.

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Next Steps

- Identification of instances of difficulty created by current Network Code processes.
- Identification of identified instances which might be addressed by separation of Network Code processes.

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Appendix 3.2

New Section G Contents

	v3.09	*Laymans Terms*
1. Introduction		**Core definitions and reponsibilities eg: Supply Points**
1.1 Supply Point and Registered User	1.1	Defines Supply Point and SP owning User
1.2 Offtake Responsibility for Supply Points	1.2	Quantities allocated to Registered User
1.3 Supply Meter Points	1.3	Defines a Supply Point
1.4 Supply Point Register	1.9	Transco responsible for record of all Supply Points
1.5 Failure to Revise Supply Point Register	1.14	Responsibility for currency of register
1.6 Business Day	1.10	Defines Business Day specific to this section
1.7 Contingencies	1.12	Applicability/impact of Code Contingency to this section
1.8 Code Communications	1.13	Right to use 'conventional' notice for an initial period
2. Common Concepts/Services		**Concepts common to both Smaller and Larger Supply Points. Services (Supply Point Configurations) common to both eg: aggregation criteria etc**
2.1 Supply Point Classification	1.11	DM/NDM/DMC/DMA/VLDMC
2.2 Current, New and Existing Supply Points	2.2	Defines what SP configurations are deemed Current, New and Existing
2.3 Single Premises Requirement	1.4	Defines requirements to enable meter point aggregation
2.4 Annual Quantity	1.6	Defines how AQ is calculated and User/Transco responsibilities/rights in process
2.5 Sub-deduct Arrangements	1.8	Provisions relating to Prime and Sub configurations
2.7 Supply Point Enquiries	1.17	Provisions allowing enquiry as to Supply Point details in register
2.8 Site Visit Appointments	1.18	Provisions for visits to Supply Points to confirm details
2.9 *Supply Point Withdrawal and Isolation*	3	Ceasing to be Registered User for a Supply Point
2.9.1 Supply Point Withdrawal	3.1	
2.9.2 Effect of Withdrawal	3.2	
2.9.3 Withdrawal: Closing Meter Read	3.3	
2.9.4 Isolation: General	3.4	

2.9.5 Isolation Request	3.5		
2.9.6 Urgent Cessation of Flow of Gas	3.6		
2.9.7 Re-establishment	3.7		
2.9.8 Disablement of Supply	3.8		
2.10 *Compensation Rules*	4		Liabilities for untimely responses to SPA activity and Site Visits
2.10.1 Responding to Supply Point Nominations	4.1		
2.10.2 Rejecting to Supply Point Confirmations	4.7		
2.10.3 Site Visits	4.9		
2.10.4 Conventional Notices	4.11		
2.11 *New Supply Meter Points and Other Siteworks*	7		Establishment of New Supply Points
2.11.1 General	7.1		
2.11.2 Siteworks Terms and Procedures	7.2		
2.11.3 New Supply Meter Points	7.3		
2.11.4 Siteworks Specified Capacity etc	7.4		
2.11.5 Undertaking Siteworks	7.5		
3. Smaller Supply Points			**Contractual requirements (in terms of registration) for Smaller Supply Points**
3.1 Introduction	new		Defines scope of section and definition of Smaller Supply Point
3.2 Supply Point Confirmations: Smaller Supply Points Subject to Nomination	2.7*		Circumstances necessitating nomination of Smaller Supply Points
3.3 Supply Point Confirmations: General	2.5*		General provisions for Supply Point confirmations
3.4 Supply Point Confirmations: Smaller Supply Points	2.6		Specific aspects related to Smaller Supply Points
3.6 Effect of Confirmation: Existing Supply Points Not Already Withdrawn	2.8*		Objection provisions
3.7 Effect of Confirmation: Existing Supply Points Already Withdrawn	2.9*		Effect where incumbent User withdraws from Supply Point
3.8 Effect of Confirmation: New Supply Point	2.11*		Requirements to enable registration of New Supply Points
3.9 Supply Point Confirmation: Effect of Isolation	2.10*		Impact of confirmation of an isolated Supply Point

4. Larger Supply Points		**Contractual requirements (in terms of registration) for Larger Supply Points**
4.1 Introduction	new	Defines scope of section and definition of Larger Supply Point
4.2 Supply Point Nomination	2.3	Provisions for nomination of Larger Supply Points
4.3 Supply Point Offers	2.4	Details with Transportation Offers
4.4 Supply Point Confirmations: General	2.5*	General provisions for Supply Point confirmations
4.5 Supply Point Confirmations: Larger Supply Points	2.7*	Specific aspects related to Larger Supply Points
4.6 Effect of Confirmation: Existing Supply Points Not Already Withdrawn	2.8*	Objection provisions
4.7 Effect of Confirmation: Existing Supply Points Already Withdrawn	2.9*	Effect where incumbent User withdraws from Supply Point
4.8 Effect of Confirmation: New Supply Point	2.11*	Requirements to enable registration of New Supply Points
4.9 Supply Point Confirmation: Effect of Isolation	2.10*	Impact of confirmation of an isolated Supply Point
4.10 Daily Read Metering	1.5	Provisions for Reading of DM Supply Points
4.11 Shared Supply Meter Points	1.7	Multiple Users at Supply Points
4.12 Mandatory Allocation Agencies	1.16	Provisions for End User to be Allocation Agent
4.13 *DM Supply Point Capacity and Offtake Rate*	5	Specific aspects related to Larger DM Supply Point capacity
4.13.1 Introduction	5.1	
4.13.2 Minimum Capacity Requirements	5.2	
4.13.3 Supply Point Offtake Rate	5.3	
4.13.4 Absolute Requirement	5.4	
4.13.5 Other Requirements	5.5	
4.13.6 Maximum NDM Offtake Rate	5.6	
4.14 *Interruptible Supply Points*	6	Scope of Interruptible Supply Points - criteria etc
4.14.1 General	6.1	
4.14.2 Conditions for Designation as Interruptible	6.2	
4.14.3 Redesignation as Firm	6.3	
4.14.4 SDMC(I) Supply Points	6.4	
4.14.5 TNI Supply Points	6.5	

4.14.6 Requirements as to Interruptible Supply Points	6.6		
4.14.7 Interruption	6.7		
4.14.8 Notification Requirements	6.8		
4.14.9 Failure to Interrupt	6.9		
4.14.10 Partial Interruption	6.1		
4.14.11 Partial Interruption at CSEPs	6.11		
4.15 Interruptible Supply Point Firm Allowance	1.15		Scope and requirements of IFA Supply Points

Appendix 3.3

		Larger Supply Points		Smaller Supply Points		Both	
Year	**No**	**Mod No**	**Title**	**Mod No**	**Title**	**Mod No**	**Title**
2003	**1**	0674	Daily Meter Reading - Impacts of the Review of Gas Metering Arrangements (RGMA)			0678	Primary and Sub-deduct meters and 'Unique' sites - Transitional Metering Arrangements post RGMA
	2	0652	Revision of Supply Point Ratchet Charge Multiplier for Gas Year 2003/4			0676	NDM Demand Estimation Sampling - Access to the Supply Meter Installation
	3					0675	Isolations - Changes required in accordance with the Review of Gas Metering Arrangements (RGMA)
	4					0673	Supply Metering Unbundling - Meter Information requirements in accordance with the Review of Gas Metering Arrangements (RGMA)
	5					0672	Amendments to facilitate the unbundling of Supply Meter ownership and associated works in accordance with the Review of Gas Metering Arrangements (RGMA)
	6					0663	Introduction of provisions to permit a User to change the supplier identity at a Supply Point without submitting a Confirmation and the removal of the associated requirement to
	7					0662	Read Replacement functionality for the last read received by the GT from the Incumbent Shipper
	8					0648	Transitional Provisions for the Meter Asset Service Standard

	9					0641	Customer Requested Objections
						0640	End of Year Reconciliation of Specific Categories of Smaller Supply Points
	10					0624	Changes to the 2003 Annual Quantity (AQ) Amendment Process
	11					0611	Amendment to Timetable Relating to the Finalisation of End User Categories and Demand Models
2002	**1**					0531	Revision of Existing AQ Appeals Window
	2					0526	Amendment to the provisions governing New Supply Point Registration
	3					0602	Amendment to the required date range for opening meter reads
	4					0591	Introduction of Change of Tenancy Marker to the Confirmation/Registration process
2001	**1**	0464	Supply Point Registration Process for the Optional NTS Commodity Tariff	0476	Removal of the requirement to nominate Smaller Supply Points on first Registration	0487	Release of the Identity of the Incoming Shipper/Supplier to Incumbent upon Supply Point Transfer Processes
	2	0463	Amendment to the Must Read requirements for Supply Points re-classified as Monthly Read	0454	Amendment to the Small Supply Point AQ Process	0470	Meter Reading Unbundling - Non Daily Read Meters
	3					0469	Addition of User Suppressed Reconciliation Value (USRV) to the Network Code
2000	**1**					0439	New Network Code Validation Rules
	2					0427	Technical Amendments Required By Introduction Of Disaggregated Metering Charges
	3					0400	Release by Transco of the Supplier Identity to Gas Consumers and Suppliers
	4					0385	Standard of Service on Adjustments to GRE Invoice Queries

	5					0377	Relaxation of Constraints on Unbundled Cyclic Meter Read Submissions
1999	**1**	0352	Cessation of daily metered capacity charges upon a supply point withdrawal becoming effective through isolation	0317	Smaller Supply Point ("Domestic") AQ Review for Gas Year 1999/2000.	0340	Use of a Transco Estimated Transfer Read for Reconciliation Purposes where an Actual Read is not provided
	2					0335	Reduction in the timescale for any supply point confirmation not involving a change in the registered user
	3					0325	Consolidation of Section G1.6 (AQs)
	4					0291	Revised Confirmation Objection Deadline
1998	**1**	0239	Creation of New Daily Metered Supply Points	0227	Cancel Confirmation facility for Smaller Supply Points	0290	Reduction of the Maximum Lead time for Confirmations from 3 months to 6 weeks
	2			0215	Revisions to Maximum Daily Permissable SPA Volumes (Domestic Competition)	0289	Proposals to facilitate the revision of AQs
	3			0213	Charge for the Provision of Estimates for Domestic Opening Meter Reads	0264	Calculation of Estimates between Pre and Post Transfer Reads
	4			0212	Charge for Provision of Estimates for Opening Meter Reads - Extension of Domestic Market Interim Solution Provisions	0258	Liabilities for failure to allow Aggregation of Meter Points
	5					0249	Mandatory Provision of Reasons for Supply Point Objection
	6					0248	Amendment to Supply Point Nomination methodolo
	7					0241	Monthly Must Read Window Extension
	8					0235	Incentives relating to the 1998 AQ Review
	9					0211	Reduce Restrictions on the dates on which a Supply Type change may become effective
	10					0208	Amendments to the AQ Update Process for 1998

Appendix 4.1

Review Proposal 0700

Chris Warner – Contract Development Manager

2 November 2004

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Recap

- Remit of group established and formalised in Terms of Reference
  - Network Code review only
  - Any recommendations subject to cost/benefit analysis
- Scope identified as 'retail' (Supply Point) elements in Code.
- Analysis undertaken in respect of reorganisation of section G.
- Requirement to assess Modifications in respect of:
  - the extent of market sector driven change
  - The impact of such change on other market sectors

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Actions Undertaken

- Transco Modification analysis issued 05 October 2004.
- Analysis identified 100 implemented, rejected and withdrawn Modification Proposals.
- Assessment made of
  - Market sector impacted (Smaller Supply Point, Larger Supply Point or both)
  - Two key questions
    - Would separate regimes have altered support or otherwise for Proposals?
    - Would Users be required to implement change regardless of whether operating in the affected market sector?
- Users feedback sought to include assessment of implementation costs.
- Four responses received from Users.
- Transco formulated its own response.

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1: Would separate regimes for Smaller and Larger Supply Points have altered the support/objections of individual market sector participants?

5 respondees (Transco and 4 Users) @ 100 Responses

		Larger		Smaller		Both		Total	
		No.	%	No.	%	No.	%	No.	%
Implemented	Yes	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	No	50	100.0%	25	100.0%	180	100.0%	255	100.0%
	Total	**50**	**100.0%**	**25**	**100.0%**	**180**	**100.0%**	**255**	**100.0%**
Rejected	Yes	0	0.0%	3	8.6%	0	0.0%	3	2.9%
	No	25	100.0%	32	91.4%	45	100.0%	102	97.1%
	Total	**25**	**100.0%**	**35**	**100.0%**	**45**	**100.0%**	**105**	**100.0%**
Withdrawn	Yes	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	No	25	100.0%	5	100.0%	110	100.0%	140	100.0%
	Total	**25**	**100.0%**	**5**	**100.0%**	**110**	**100.0%**	**140**	**100.0%**
Total	Yes	0	0.0%	3	4.6%	0	0.0%	3	0.6%
	No	100	100.0%	62	95.4%	335	100.0%	497	99.4%
	Total	**100**	**100.0%**	**65**	**100.0%**	**335**	**100.0%**	**500**	**100.0%**

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2: Were both market sectors [required to implement/would have been required to implement] this [Modification /Modification Proposal] regardless of whether the change was driven by, or impacted only one of the market

5 respondees (Transco and 4 Users) @ 100 Responses

		Larger		Smaller		Both		Total	
		No.	%	No.	%	No.	%	No.	%
Implemented	Yes	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	No	50	100.0%	25	100.0%	180	100.0%	255	100.0%
	Total	**50**	**100.0%**	**25**	**100.0%**	**180**	**100.0%**	**255**	**100.0%**
Rejected	Yes	0	0.0%	2	5.7%	0	0.0%	2	1.9%
	No	25	100.0%	33	94.3%	45	100.0%	103	98.1%
	Total	**25**	**100.0%**	**35**	**100.0%**	**45**	**100.0%**	**105**	**100.0%**
Withdrawn	Yes	0	0.0%	0	0.0%	0	0.0%	0	0.0%
	No	25	100.0%	5	100.0%	110	100.0%	140	100.0%
	Total	**25**	**100.0%**	**5**	**100.0%**	**110**	**100.0%**	**140**	**100.0%**
Total	Yes	0	0.0%	2	3.1%	0	0.0%	2	0.4%
	No	100	100.0%	63	96.9%	335	100.0%	498	99.6%
	Total	**100**	**100.0%**	**65**	**100.0%**	**335**	**100.0%**	**500**	**100.0%**

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3: In terms of implementation, what [*was/would have been*] the degree of impact in terms of implementation costs?
1 - low (<£5k), 2 - low/medium (£5k-£10k), 3 - medium (£10k-£20k), 4 - medium/high (£20k-£40k), 5 - high (£40k+)

Two User respondees - answers provided for implemented Modifications only (51* 2)

		1	2	3	4	5	No Response / Uncertain	Total
Implemented	No.	26	3	3	0	1	69	102
	%	25.5%	2.9%	2.9%	0.0%	1.0%	67.6%	100.0%

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Modifications 'Sensitive' to Market Sectors

- Mod 0603 'Reduction of Notice Period for Domestic Customer Supply Point Confirmation Process'.
  - Separate processes/systems may afford opportunity for different transfer timescales.
  - Subject to licence considerations.
- Mod 0468/0468a 'Removal of the Smaller Supply Point estimate Opening Reads charge for reasons of mergers and acquisition'.
  - Simpler Smaller Supply Point regime may more readily facilitate portfolio transfer of Supply Points.

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Progress So Far

- Terms of Reference established.
- Network Code business processes summarised.
- Analysis of potential reorganisation of Section G.
- Analysis of implemented Modifications impacts.
- Analysis of Network Code Development driven by market sectors (implemented, withdrawn and rejected).

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Terms of Reference: Deliverable 1

- Undertake a cost benefit analysis (identifying advantages and disadvantages/risks) associated with conducting the review.
  - Scope of Review clarified: no review of processes/procedures.
  - Extent of market sector driven development analysed
  - 100 Implemented, Withdrawn and Rejected Modifications
  - Little evidence of market sector driven development

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Terms of Reference: Deliverable 2

- Identify options for achieving the aim of the review
  - Section G reorganisation analysis.

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Terms of Reference: Deliverable 3

- Identify advantages/benefits and disadvantages/risks for individual stakeholders associated with options identified.
  - Option: Reorganisation of section G.
  - 0.4%-0.6% of responses identified specific Modifications sensitive to market sectors.
  - No significant benefit identified of separation of Network Code processes.
  - Users operating in both markets may incur additional costs where separate regimes developed

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Terms of Reference: Deliverable 4

- Subject to Review Group consensus, make recommendations in respect of any further work to be undertaken.
  - Feedback?

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Appendix 4.2

Code	Mod Ref	Title	Date Raised	Sector	Transco / User Raised	FMR Reps		Outcome
						For	Against	
IMP/L/01	0704	Revised requirement for Users to ensure non-domestic Supply Meter Installations are installed and maintained by accredited Meter Asset Managers	07/07/04	L	T	6	6	Implemented
IMP/L/02	0674	Daily Meter Reading - Impacts of the Review of Gas Metering Arrangements (RGMA)	09/12/03	L	T	3	0	Implemented
IMP/L/03	0652	Revision of Supply Point Ratchet Charge Multiplier for Gas Year 2003/4	18/09/03	L	T	9	0	Implemented
IMP/L/04	0464	Supply Point Registration Process for the Optional NTS Commodity Tariff	08/05/01	L	T	6	0	Implemented
IMP/L/05	0463	Amendment to the Must Read requirements for Supply Points re-classified as Monthly Read	30/04/01	L	U	4	1	Implemented
IMP/L/06	0352	Cessation of daily metered capacity charges upon a supply point withdrawal becoming effective through isolation	17/08/99	L	T	5	0	Implemented
IMP/L/07	0340	Use of a Transco Estimated Transfer Read for Reconciliation Purposes where an Actual Read is not provided	09/06/99	L	U	8	0	Implemented
IMP/L/08	0248	Amendment to Supply Point Nomination methodology	13/07/98	L	T	8	0	Implemented
IMP/L/09	0241	Monthly Must Read Window Extension	03/07/98	L	U	2	0	Implemented
IMP/L/10	0239	Creation of New Daily Metered Supply Points	03/07/98	L	T	6	1	Implemented
IMP/S/01	0690	Smaller Supply Point ("Domestic") AQ Review for Gas Year 1999/2000.	16/03/04	S	U	5	0	Implemented
IMP/S/02	0476	Removal of the requirement to nominate Smaller Supply Points on first Registration	20/06/01	S	U	4	0	Implemented
IMP/S/03	0454	Amendment to the Small Supply Point AQ Process	05/02/01	S	T	6	0	Implemented
IMP/S/04	0317	Smaller Supply Point ("Domestic") AQ Review for Gas Year 1999/2000.	02/03/99	S	T	7	0	Implemented
IMP/S/05	0227	Cancel Confirmation facility for Smaller Supply Points	06/04/98	S	T	3	0	Implemented

IMP/B/01	0693	Revision of the NDM 'More Frequent Reading' Provisions	13/05/04	B	T	5	1	Implemented
IMP/B/02	0691	Amendment to the Opening Meter Read Requirement to Facilitate RGMA Implementation	02/04/04	B	T	6	0	Implemented
IMP/B/03	0683	Acceptance by the Gas Transporter of Reads obtained remotely as Valid Reads	03/03/04	B	U	8	0	Implemented
IMP/B/04	0678	Primary and Sub-deduct meters and 'Unique' sites - Transitional Metering Arrangements post RGMA	09/12/03	B	T	6	0	Implemented
IMP/B/05	0676	NDM Demand Estimation Sampling - Access to the Supply Meter Installation	09/12/03	B	T	3	0	Implemented
IMP/B/06	0675	Isolations - Changes required in accordance with the Review of Gas Metering Arrangements (RGMA)	09/12/03	B	T	4	0	Implemented
IMP/B/07	0673	Supply Metering Unbundling - Meter Information requirements in accordance with the Review of Gas Metering Arrangements (RGMA)	09/12/03	B	T	4	0	Implemented
IMP/B/08	0672	Amendments to facilitate the unbundling of Supply Meter ownership and associated works in accordance with the Review of Gas Metering Arrangements (RGMA)	09/12/03	B	T	4	0	Implemented
IMP/B/09	0663	Introduction of provisions to permit a User to change the supplier identity at a Supply Point without submitting a Confirmation and the removal of the associated requirement to procure an Opening Meter Reading	13/11/03	B	T	7	0	Implemented
IMP/B/10	0662	Read Replacement functionality for the last read received by the GT from the Incumbent Shipper	07/11/03	B	U	3	2	Implemented
IMP/B/11	0648	Transitional Provisions for the Meter Asset Service Standard	11/09/03	B	T	6	0	Implemented
IMP/B/12	0641	Customer Requested Objections	11/08/03	B	T	5	1	Implemented
IMP/B/13	0640	End of Year Reconciliation of Specific Categories of Smaller Supply Points	11/07/03	B	T	4	0	Implemented
IMP/B/14	0624	Changes to the 2003 Annual Quantity (AQ) Amendment Process	21/03/03	B	T	4	0	Implemented
IMP/B/15	0611	Amendment to Timetable Relating to the Finalisation of End User Categories and Demand Models	07/02/03	B	T	5	0	Implemented
IMP/B/16	0602	Amendment to the required date range for opening meter reads	18/11/02	B	U	5	1	Implemented

IMP/B/17	0591	Introduction of Change of Tenancy Marker to the Confirmation/Registration process		B	U	5	0	Implemented
IMP/B/18	0531	Revision of Existing AQ Appeals Window	12/02/02	B	T	7	0	Implemented
IMP/B/19	0526	Amendment to the provisions governing New Supply Point Registration	14/01/02	B	T	6	1	Implemented
IMP/B/20	0487	Release of the Identity of the Incoming Shipper/Supplier to Incumbent upon Supply Point Transfer Processes	14/08/01	B	U	4	3	Implemented
IMP/B/21	0470	Meter Reading Unbundling - Non Daily Read Meters	05/06/01	B	T	5	0	Implemented
IMP/B/22	0469	Addition of User Suppressed Reconciliation Value (USRV) to the Network Code	05/06/01	B	T	3	0	Implemented
IMP/B/23	0439	New Network Code Validation Rules	15/11/00	B	T	8	0	Implemented
IMP/B/24	0427	Technical Amendments Required By Introduction Of Disaggregated Metering Charges	13/09/00	B	T	4	2	Implemented
IMP/B/25	0400	Release by Transco of the Supplier Identity to Gas Consumers and Suppliers	17/04/00	B	T	10	1	Implemented
IMP/B/26	0385	Standard of Service on Adjustments to GRE Invoice Queries	09/02/00	B	U	3	0	Implemented
IMP/B/27	0377	Relaxation of Constraints on Unbundled Cyclic Meter Read Submissions	04/01/00	B	T	3	0	Implemented
IMP/B/28	0335	Reduction in the timescale for any supply point confirmation not involving a change in the registered user	13/05/99	B	T	4	4	Implemented
IMP/B/29	0325	Consolidation of Section G1.6 (AQs)	08/04/99	B	T	5	0	Implemented
IMP/B/30	0291	Revised Confirmation Objection Deadline	03/11/99	B	T	7	0	Implemented
IMP/B/31	0290	Reduction of the Maximum Lead time for Confirmations from 3 months to 6 weeks	03/11/98	B	T	7	0	Implemented
IMP/B/32	0289	Proposals to facilitate the revision of AQs	02/11/98	B	T	2	0	Implemented
IMP/B/33	0264	Calculation of Estimates between Pre and Post Transfer Reads	04/09/98	B	T	5	0	Implemented
IMP/B/34	0258	Liabilities for failure to allow Aggregation of Meter Points	13/08/98	B	U	1	0	Implemented
IMP/B/35	0249	Mandatory Provision of Reasons for Supply Point Objection	13/07/98	B	T	9	0	Implemented
IMP/B/36	0235	Incentives relating to the 1998 AQ Review	08/05/98	B	T	4	0	Implemented

REJ/L/01	0701	Requirement for Users to ensure non-domestic Supply Meter Installations are installed and maintained by accredited Meter Asset Managers	08/06/04	L	T	3	8	Rejected

REJ/L/02	0684	Revised Ratchet Regime for Breaches of Provisional Maximum Capacity	05/03/04	L	U	3	1	Rejected
REJ/L/03	0538	Removal of nomination process for NDM supply points with an AQ of 732,000 kWh or less	18/02/02	B	U	1	5	Rejected
REJ/L/04	0320	Termination of Non Domestic AQ and EUC Review	10/03/99	L	U	2	11	Rejected
REJ/L/05	0278	Compensation for Undue Administrative Costs Imposed Upon Shippers by the Application of RbD on Small I&C Sites	09/10/98	L	U	4	1	Rejected
REJ/S/01	0614	Suspension of Smaller Supply Point AQ Amendments for 2003	13/02/03	S	U	1	6	Rejected
REJ/S/02	0603	Reduction of Notice Period for Domestic Customer Supply Point Confirmation Process	19/11/02	S	U	2	3	Rejected
REJ/S/03	0471	Changes to provisions relating to obtaining Meter Readings in respect of Annual Read Supply Meters installed at Smaller Supply Meter Points	05/06/01	S	T	3	0	Rejected
REJ/S/04	0468a	Removal of the Smaller Supply Point estimate Opening Reads charge for reasons of mergers and acquisition	31/05/01	S	T	4	0	Rejected
REJ/S/05	0468	Removal of the Smaller Supply Point estimate Opening Reads charge for reasons of mergers and acquisition	31/05/01	S	U	0	4	Rejected
REJ/S/06	0362	Smaller Supply Point ("Domestic") AQ Review for Gas Year 2000/2001	13/10/99	S	U	4	5	Rejected
REJ/S/07	0347	Amendments to the SPA Process for creation of new domestic supply points (<73,200kWh)	14/07/99	S	U	4	3	Rejected
REJ/B/01	0569	Release of the Supplier ID to the Confirming Shipper upon Objection being raised to a Supply Point Confirmation	16/07/02	B	U	6	3	Rejected
REJ/B/02	0515	Removal of the obligation of Transco to provide Estimated Opening Reads	14/12/01	B	U	2	8	Rejected
REJ/B/03	0443	Meter Reading Unbundling - Non Daily Read Meters	11/12/00	B	T	6	2	Rejected
REJ/B/04	0442	Amendment to the provisions governing Network Code Isolation.	11/12/00	B	T	9	1	Rejected
REJ/B/05	0406	Failure to obtain Meter Readings - Removal of PGT obligations to procure meter readings with respect to Annual Read Meters.	08/06/00	B	T	6	0	Rejected
REJ/B/06	0351	Clarification of the timing dependency of meter point isolation on NDM demand attribution	12/08/99	B	T	3	1	Rejected
REJ/B/07	0339	Provision to prevent an incumbent shipper from blocking a supply point transfer without the End Users agreement	07/06/99	B	U	2	12	Rejected

REJ/B/08	0319	Connected System Annual Quantity (CSAQ) Updates	09/03/99	B	U	0	6	Rejected
REJ/B/09	0302	Exclusion of Isolated Only NDM Meter Points from NDM Supply Point Demand	30/11/98	B	T	8	1	Rejected

WID/L/01	0661	Non-release of Identity of the Incoming Shipper/Supplier to the Incumbent upon Supply Point Transfer Processes for Industrial & Commercial Supply Point Transfers	24/10/03	L	U			Withdrawn
WID/L/02	0645	Treatment of Sites where continuous SOQ breach ("Supply Point Ratchet") has occurred	19/08/03	L	U			Withdrawn
WID/L/03	0455	Application of the Optional NTS Commodity Rate	09/02/01	L	U			Withdrawn
WID/L/04	0342	Revision to the number of Supply Points at shared supply meter points	15/06/99	L	U			Withdrawn
WID/S/01	0466	Removal of the requirement to nominate new Smaller Supply Points.	03/05/01	S	T			Withdrawn
WID/B/01	0644	Read Replacement functionality for USRVs	19/08/03	B	U			Withdrawn
WID/B/02	0586	Supply Start Date Alignment	17/09/02	B	U			Withdrawn
WID/B/03	0570	Shipper Responsibilities in the Event of the Ofgem Appointment of a Supplier of Last Resort	16/07/02	B	U			Withdrawn
WID/B/04	0566	Release of the Supplier ID to the Incumbent User upon Objection being raised to a Supply Point Confirmation	11/07/02	B	U			Withdrawn
WID/B/05	0544	Effective start date for charges on new supply meter points	15/03/02	B	U			Withdrawn
WID/B/06	0543	Withdrawal from ownership of Primary Meter point where the consumption is equal to the sum of consumption at Secondary or sub-deduct meter Points	15/03/02	B	U			Withdrawn
WID/B/07	0518	Recovery of Transportation & Energy Charges Erroneously Paid where no physical asset has been fitted at a Supply Meter Point	14/12/01	B	U			Withdrawn
WID/B/08	0517	Removal of MPRN's where no physical asset has been fitted	14/12/01	B	U			Withdrawn
WID/B/09	0516	Transco Self Query where there appears to be no Meter Asset detail held on Sites & Meters database	14/12/01	B	U			Withdrawn
WID/B/10	0514	Revision of Transco Network Code Standards of Service	14/12/01	B	U			Withdrawn
WID/B/11	0493	Removal of nomination process for new and existing NDM supply points	17/09/01	B	U			Withdrawn

WID/B/12	0462	Amendment to the Shipper Agreed Read Process upon Supply Point Transfer	11/04/01	B	U			Withdrawn
WID/B/13	0426	Amendments to the Network Code Validation Rules	08/09/00	B	T			Withdrawn
WID/B/14	0425	Amendments to Network Code Validation Rules	30/08/00	B	T			Withdrawn
WID/B/15	0422	Introduction of Disaggregated Metering Charges for 1 October 2000.	16/08/00	B	T			Withdrawn
WID/B/16	0405	Amendments to the process for registration of new NDM supply points <732,000 kWh	07/06/00	B	T			Withdrawn
WID/B/17	0369	Provision for Transco to be able to accept a supply point reconfirmation where the registered User remians the same but the supplier identification and the meter read agency status changes.	08/11/99	B	U			Withdrawn
WID/B/18	0355	Provision of Meter Reading History for Sites Newly Transferred	24/08/99	B	U			Withdrawn
WID/B/19	0354	Incentive mechanism for NDM capacity apportionment	18/08/99	B	U			Withdrawn
WID/B/20	0336	Provision of Meter reading History for Sites Newly Transferred	21/05/99	B	U			Withdrawn
WID/B/21	0315	Continuous and Fair AQ/EUC Review Process - NDM	20/01/99	B	U			Withdrawn
WID/B/22	0312	Extension of AQ and EUC Appeal Window	07/01/99	B	U			Withdrawn
WID/B/23	0254	Amendment to the 1998 AQ Update Process - Closing Date for Shipper Reviews	12/08/98	B	U			Withdrawn

Appendix 5.1

The following organisations were represented at the Review Group meetings.

British Gas Trading
Gas de France Energy
Scottish & Southern
Shell Gas Direct
EdF Energy
Customer Transfer Programme
ScottishPower
npower
BP Gas Ltd
Ofgem
National Grid Transco
Statoil
Total Gas & Power
E.on UK

Appendix 6.1

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0700
"Formation of a Development Workgroup to consider Formal Separation of I&C and Domestic Processes, Procedures and Flows"
Version 1.0

Date: 09/11/2004

Proposed Implementation Date: 01/01/2005

Urgency: Non-Urgent

Justification

The Licensing regime and Network Code already recognise a number of distinct differences between the Domestic market and the Industrial and Commercial market. Indeed some processes are bespoke to that particular market segment e.g. the Nomination and Offer process in the I&C market. However the system protocols remain bundled under the current relationship with the dominant Gas Transporter in the UK with the consequence that the systems cannot efficiently support the different business drivers of the two markets – i.e. changes made to provide benefits for one market will be solely a cost imposition on the other market.

In addition a number of Code modification proposals have been raised to align processes and procedures with the Electricity market. Dual fuel retailers in the Domestic market have principally driven such changes with no clear cost benefit justification for those operating solely in the Gas market. It could be argued that this has frustrated sensible developments within the Domestic market.

Further, the development of a retail Hub under SPAACO has moved some of the retail elements from the Network Code into the RGMA baseline, controlled by a separate entity. With the potential disposal of Distribution Networks (DNs) uniform control of transportation will cease to exist and the logic of interdependent processes, procedures and flows needs to be addressed.

BP believe the separation that currently exists in both the licensing regime and Network Code itself should be extended to a formal separation of processes, procedures and flows for Domestic and Industrial and Commercial market participants. This will better facilitate the achievement of securing effective competition between relevant shippers and relevant suppliers with consequent benefits for end consumers.

Nature of Proposal

The formation of a working group to consider the formal separation of Network Code and associated protocols to facilitate distinct Domestic and I&C processes, procedures and flows. This would engender the separation of all existing file formats from the date of DN disposal with the creation of market specific sets of version-controlled files and formats.

The Day 1 impact of such a proposal would be negligible as the files and formats would be identical. However as future changes are considered the impacts would be applied specifically to that market segment that requested the change. Should such changes have a material impact on an existing file format for flow, processes or procedure it would be applied solely to the relevant market segment.

Purpose of Proposal

To provide formal separation of the Domestic and I&C market in respect of processes, procedures and IT protocols.

To allow the optimisation of particular market segments without imposing costs on those participants not operating in that market segment.

To ensure that change is supported and funded by those participants who seek to benefit from its implementation.

Consequence of not making this change

Should this change not be forthcoming then the costs of changes that only benefit a particular market segment will continue to be borne by all market participants.

This will lead to inefficient market operation and may result in a failure to deliver changes that could deliver benefits to a particular market segment because of the inappropriate imposition of costs on another market segment. The net result would be to limit effective competition between relevant shippers and suppliers to the detriment of end consumers.

Area of Network Code Concerned

Section G

Proposer's Representative

Beverly Ord (Bp Gas Ltd)

Proposer

Steve Mulinganie (Bp Gas Ltd)

Signature

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