

UK Link Committee

Modification Processes

1. Introduction

UK Link is the name given in the **Uniform Network Code (UNC)** to the computer network which provides communications between the **Transporters** and **Users** and the systems that carry out certain of the calculations required in the UNC. UK Link governance consists of the following:

1.1. The UK Link Manual

This series of documents describes, in detail, the networks and systems that form UK Link and the associated communication details, including file formats. Users registered for this purpose with **xoserve** can view the various documents in www.xoserveextranet.com/uklinkdocs/default.asp. (Whilst operation is the responsibility of the Transporters as a whole, xoserve, which is owned and governed by the Transporters, operates and documents UK Link on a day-by-day basis.)

1.2. Section U

This section of the **Transportation Principal Document (TPD)** of the UNC details the rules by which amendments are made to UK Link. These are referred to as **UK Link Modifications**. Any person with internet access can view the latest version of the UNC, including Section U, on the **Joint Office of Gas Transporters** website: www.gasgovernance.com/unc.asp.

This document summarises the amendment rules within Section U in a series of descriptions with associated flow charts. It should, however, be emphasised that Section U would take precedence in the event of conflict.

2. Development of Modifications

The initial step in the development of a UK Link Modification is the issue of a change request either by a User or a Transporter. On receipt, xoserve allocate all such change requests a unique number and initiates the classification process.

2.1. Classification

The route by which changes to UK Link proceed through the change process depends on the class given to the UK Link Modification. In summary:

2.1.1. Class 1 UK Link Modifications (U 8.2.2)

This class of change applies to changes to the **UK Link System** that only affect the Transporters. Changes to the UK Link Manual to correct errors and/or reflect implemented changes to UK Link Systems are also Class 1.

2.1.2. Class 2 UK Link Modifications (U 8.2.3)

This class of change applies to changes that are financed by the Transporters and do not have a major adverse effect on Users or on system performance. Decisions on which changes may be financed are mostly taken by the Transporters as a whole.

2.1.3. Class 3 UK Link Modifications (U 8.2.4)

Change requests that are not classified as either Class 1 or 2, become Class 3 if the originator of the change request wishes to proceed, on the basis that Users will fund it.

2.2. Approval

The route by which a UK Link Modification is approved depends on the class of change. The following sections outline this approval process.

2.2.1. Class 1 UK Link Modifications (U 8.3)

For this class of change, the Transporters are responsible for the approval process. There are no specific requirements for Users to be notified but on occasions the Transporters make such notifications on an informal basis. This is usually through the **UK Link Committee**.

2.2.2. Class 2 UK Link Modifications (U 8.4)

For this class of change, the UK Link Committee governs the process. xoserve, on behalf of the Transporters, carries-out the initial development and submits the relevant documentation, including a proposed implementation date, to UK Link Committee for approval. Normally, changes are grouped together as releases and, each year, three main releases are identified within Section U. Section U contains provisions for implementation outside these release dates, as necessary.

2.2.3. Class 3 UK Link Modifications (U 8.5)

For this class of change, approval is required under the **UNC Modification Rules**. This means that, in addition to the change request, the Transporters are required to raise a UNC Modification Proposal. This allows Users, and other interested parties, to make written responses and for Ofgem to make the final decision.

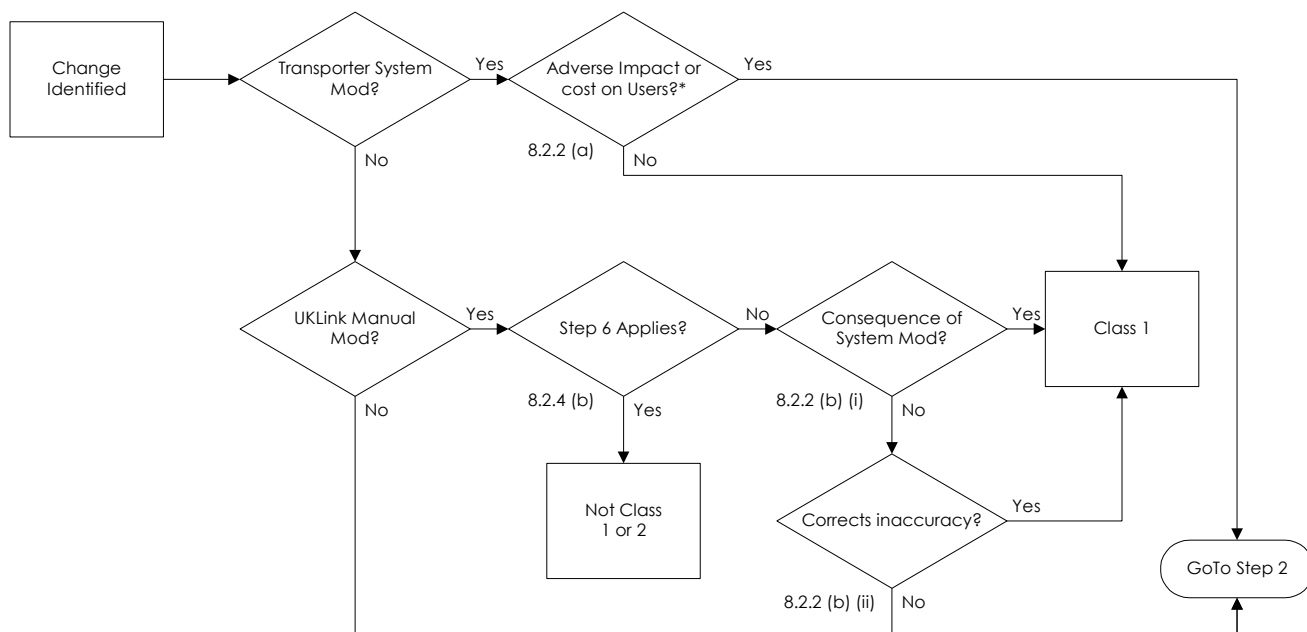
2.3. Implementation

The UK Link Committee receives a report each month on UK Link Modifications that have been approved. This is usually no more than confirmation of progress to plan but the Transporters discuss any issues within UK Link Committee, as they arise. Following implementation, no specific reports are made but if implementation adversely affected performance of the UK Link System, as a whole, or gave rise to a high number of User queries, this would be reflected in the monthly performance figures received.

3. Detailed Classification Process

Six steps have been identified as set-out below. By each decision diamond, a reference to Section U is given.

3.1. Step 1 – Identification of a Class 1 UK Link Modification



* Unless all Users agree to the cost

The above diagram identifies the two main types of Class 1 UK Modification. Taking each in turn:

3.1.1. Transporter System Modification (U 8.2.2 (a))

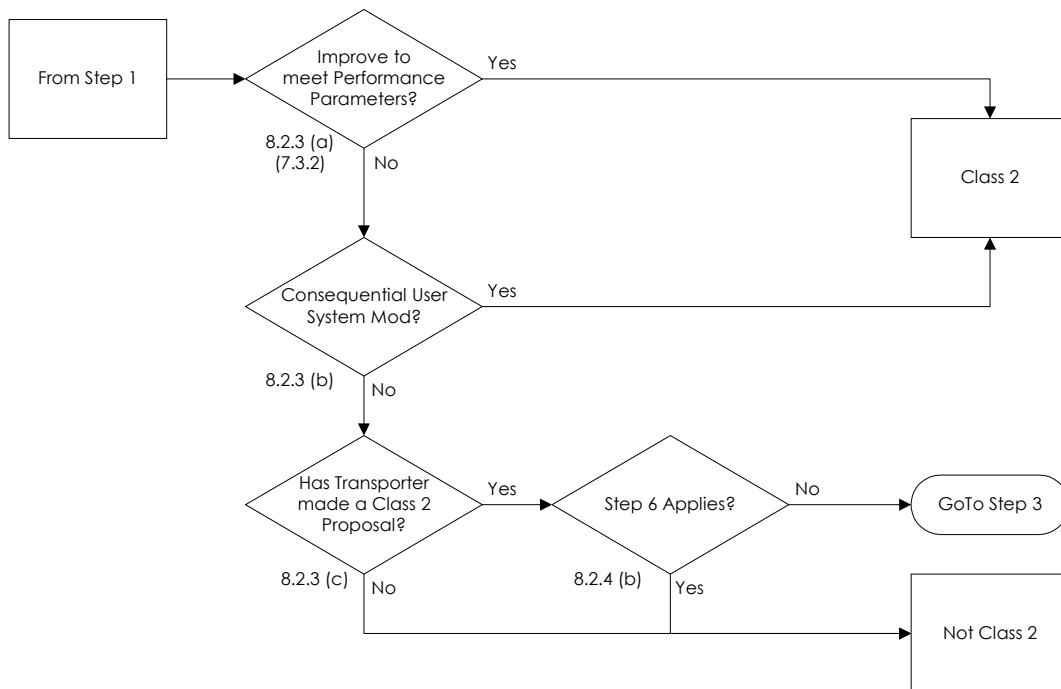
The term **Transporter System Modification** refers to system changes at the premises of the Transporters or their agents. Changes required to facilities provided to Users are referred to as **User System Modifications**. If a change involved a User System Modification it would not be Class 1. In making their decision on classification, the Transporters need to be satisfied not only that the Users are not directly affected but also that performance of the UK Link System will not be adversely affected. Where a cost to Users is identified this does not necessarily prevent it being Class 1 but agreement of all Users needs to be obtained. This is one of the cases where the Transporter would notify the UK Link Committee.

3.1.2. Manual Modification (U 8.2.2 (b))

This allows changes to the UK Link Manual to be made to reflect System Changes and to correct any errors in the way the manual describes the UK Link System. Changes to the manual, other than correction of minor errors, would normally be identified to the UK Link Committee.

Safeguards for Users are incorporated in the process whereby certain changes would be Class 3. The criteria for such a classification is set out in Sections 3.5 and 3.6 below.

3.2. Step 2 – The Three Main Sub-Classes



3.2.1. Performance Improvement (U 8.2.3 (a))

The Transporters are obliged to ensure that UK Link meets **Performance Parameters** and to publish its performance against these parameters, together with **Usage Volumes** on a monthly basis. If the reason for failure to meet these parameters is not due to higher Usage Volumes, than assumed in the system design, and Users are materially and adversely affected, the Transporters are obliged to raise a Class 2 UK Link Modification (U 7.3).

3.2.2. Consequential User System Modification (U 8.2.3 (b))

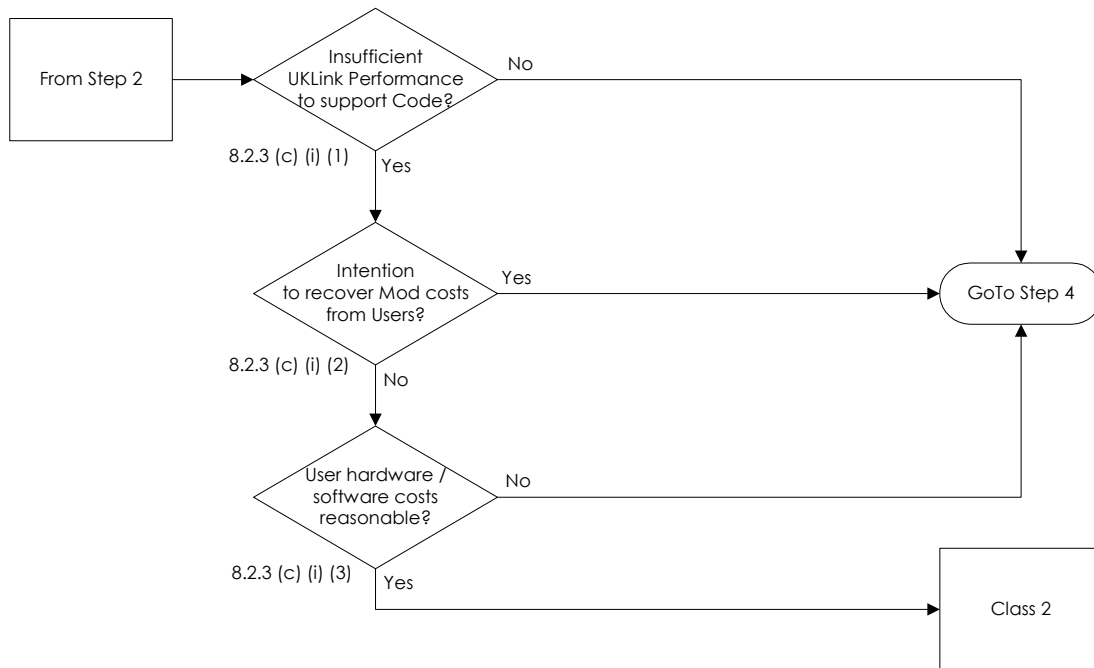
In cases where there a Transporter System Modification, (whether Class 2 or Class 3), requires a User System Modification to become effective, the Transporters are obliged to raise Class 2 UK Link Modification for the User System part of the change.

3.2.3. Class 2 Modifications Made by the Transporter (U 8.2.3 (c))

In addition to the two instances where the Transporter is obliged to make a Class 2 UK Link Modification Proposal, the Transporter may choose to raise a proposal for other reasons. This may be in order to satisfy an obligation outside Section U or for other reasons that the Transporter may decide.

The following flow charts identify these instances in detail.

3.3. Step 3 – Performance Maintenance (U 8.2.3 (c) (i) (1))



In addition to the requirement to upgrade where UK Link is not meeting its Performance Parameters, the Transporter may decide to make a Class 2 UK Link Modification if it reasonably anticipates a degradation of performance or functionality. Examples of this would be due to

- Implementing a UNC Modification,
- Anticipated growth in usage; or
- Anticipated obsolescence of parts of the UK Link System.

However, there are two further requirements to be met if the UK Link Modification is to be Class 2:

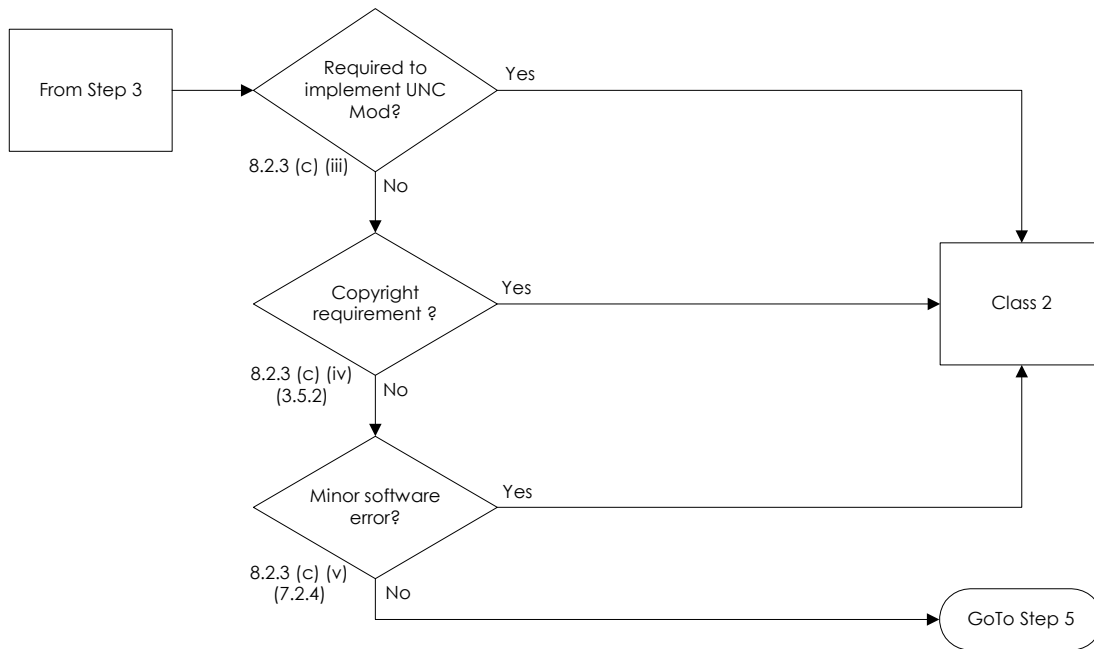
3.3.1. No User Cost (U 8.2.3 (c) (i) (2))

Class 2 status is dependent on the Transporters meeting the costs incurred in making the change.

3.3.2. User Hardware and Software Costs (U 8.2.3 (c) (i) (3))

Class 2 status is dependent on the costs to Users being reasonable in the circumstances.

3.4. Step 4 – Code or Legal Requirements



3.4.1. UNC Mod Requirement (U 8.2.3 (c) (iii))

The UNC Modification Reports, published under the Modification Rules, would have identified, at a high level, the requirement for changes to UK Link and other systems.

3.4.2. Copyright Requirement (U 8.2.3 (c) (iv))

This would apply if the Transporters identified that continuing with the current UK Link System, unchanged, would lead to the infringement of copyright (U 3.5.2).

3.4.3. Minor Software Error (U 8.2.3 (c) (v))

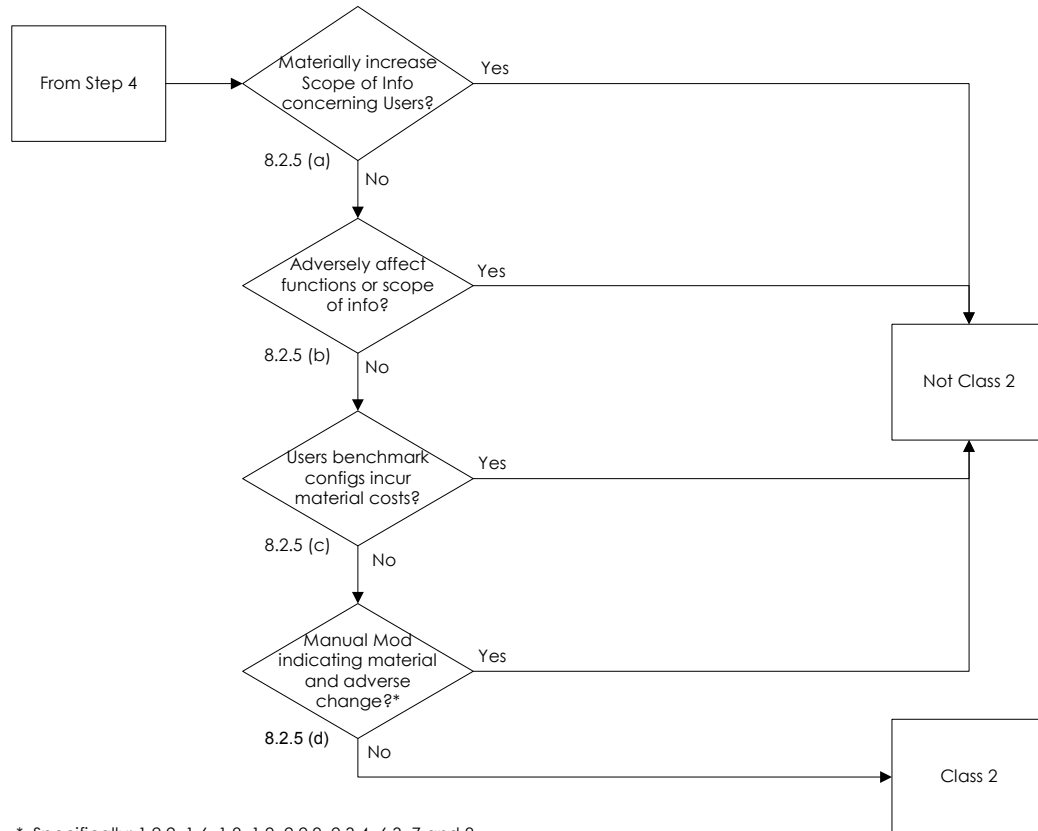
This would apply if the Transporters identified a minor software error as defined in U 7.2.4.

3.5. Step 5 - Checklist for Class 2 (U 8.2.5)

This checklist ensures that certain changes, which would potentially lead to adverse side effects, are Class 3 and are therefore subject to UNC consultation. This is in addition to the following criteria for Class 3:

- Transporters only intend to make the change if costs are recovered from Users
- Transporters elect to treat it as a Class 3 Modification

Step 5 - Checklist for Class 2 (U 8.2.5)



3.5.1. Increase in Scope of Information (U 8.2.5 (a))

This ensures that UNC consultation would apply if a system change gave greater visibility of information in respect of one User to other Users.

3.5.2. Adverse System Effects (U 8.2.5 (b))

This ensures that UNC consultation would apply if a system change adversely affected:

- Function of UK Link
- Facilities of UK Link
- Information made available to Users through UK Link

3.5.3. Material Costs to Users (U 8.2.5 (c))

This relates to Users that have installed **UK Link Benchmark Configurations** of computer equipment and software at their premises. The definition of this configuration is included in the UK Link Manual. If implementation of the change would involve material costs for Users then UNC consultation would apply.

3.5.4. Manual Mods Indicating Material and Adverse Change (U 8.2.5 (d))

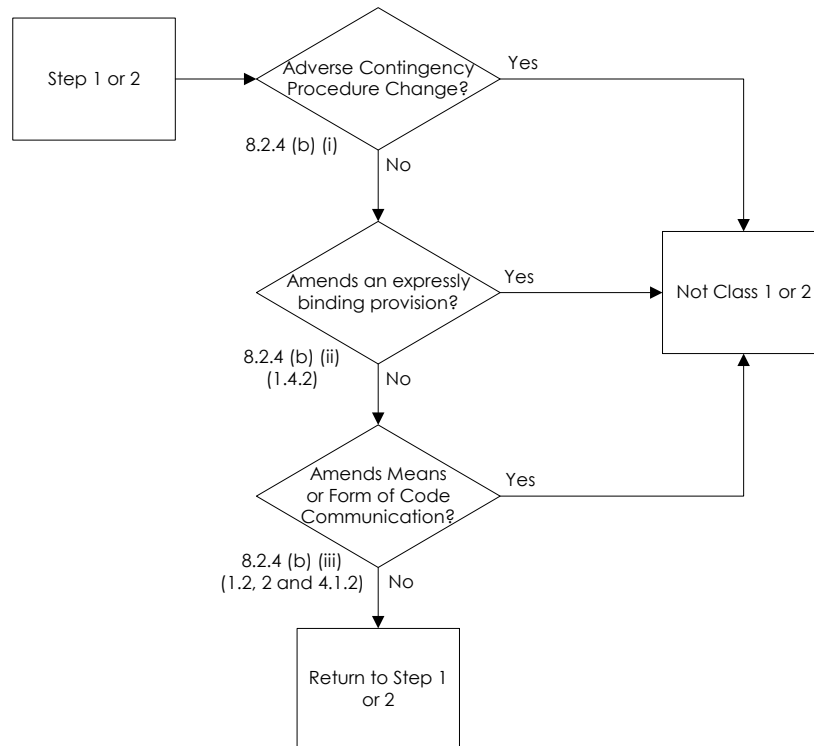
This is specific to material and adverse changes in the application of the following:

- Means of Code Communication (U 1.2.2)
- Charges for access to UK Link and/or training and/or terms of invoicing and payment. (U1.6)

- Operational Security policy and/or practice (U 1.8)
- Virus protection policy and/or practice (U 1.9)
- UK Link Benchmark Configuration (U 2.2.9)
- Terms and charges for Transporter Available Equipment and/or Transporter Available Software that is provided to Users on request. (U 2.3.4)
- Code contingency arrangements (U 6.3)
- Performance – levels, monitoring and liability (U 7)
- UK Link Modification rules (U 8)

3.6. Step 6 –Further Checks for UK Link Manual Modifications

This checklist ensures that certain UK Link Manual Modifications are Class 3 and are therefore subject to UNC consultation.



3.6.1. Contingency Procedure Change (U 8.2.4 (b) (i))

This ensures that UNC consultation would apply if changes in the procedures were proposed that would materially worsen the ability of User and Transporters to communicate if a contingency procedure were activated.

3.6.2. Change to a Binding Obligation (U 8.2.4 (b) (ii))

This ensures that UNC consultation would apply if a change were proposed that would remove a binding obligation contained within the UK Link Manual (U 1.4.2).

3.6.3. Code Communication Change (U 8.2.4 (b) (iii))

This ensures that UNC consultation would apply if a change were proposed to the method of Code Communications set out in the UK Manual.

4. Detailed Approval Process

4.1. Class 1 UK Link Modifications (U 8.3)

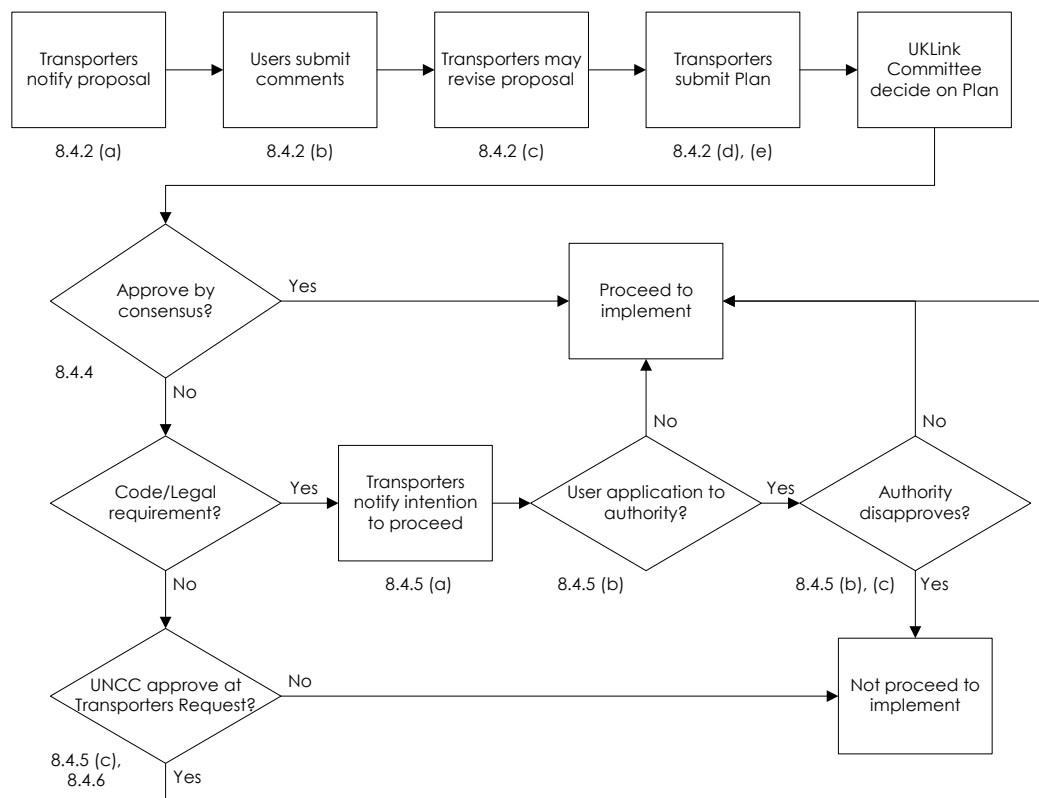
By their nature, Class 1 Modifications only require approval by the Transporters. Section U does not identify the internal governance processes used by the Transporters other than informing Users (U8.3.2 (a)) if:

- They are likely to become aware of it
- It is a UK Link Manual Modification
- It is likely to be of operational interest.

The Transporter will update the relevant parts of the UK Link Manual

4.2. Class 2 UK Link Modifications (U 8.4)

The following diagram outlines the process



4.2.1. Preliminary Approval Steps (U 8.4.2)

- The Transporters are required to send the proposal to all Users and this should contain its nature, purpose and timetable for implementation (U 8.4.2 (a)).
- Users are given at least 10 Business Days to submit comments (U 8.4.2 (b)).
- The Transporters consider revisions based on the comments received. (U 8.4.2 (c))
- The Transporters prepare and submit the implementation plan to the UK Link Committee setting out the nature of the proposal, the steps required to implement the proposal and an associated timetable. (U 8.4.2 (d), (e))

4.2.2. UK Link Committee Approval (U 8.4.4)

Approval to the Transporters' implementation plan is by consensus of the members present. In the UNC **Chairman's Guidelines**, consensus is defined "as a general agreement" and "does not require that unanimity be reached". In general, the UK Link Committee will decide on an implementation date that conforms to the following principles:

4.2.2.1. Three Implementations per Year (U 8.4.4 (a))

This means that **implementations**, that would often include more than one UK Link Modification, would be scheduled for agreed dates within February, June or November.

4.2.2.2. Minimum Notice Period (U 8.4.4 (b))

Six months notice would be required for UK Link Modifications but this would be reduced to four months for a UK Link Modification that did not involve operational changes. This means for a late February implementation, approval has to be made at the UK Link Committee held in August of the previous year for a change with operational implications and October for a change with no operational implications. November implementations tend to be set for early in the month so approval may have to be made at the April UK Link Committee meeting.

On both of these criteria, the UK Link Committee can exercise discretion.

4.2.3. Code or Legal Compliance Override (U 8.4.5 (a) and (b))

This permits Transporters to implement a UK Link Modification in accordance with implementation plan proposed to the UK Link Committee even if that plan did not gain consensus support. However, this override is limited to a requirement under the UNC or under law. This might apply if the implementation date identified in a UNC Modification Proposal is in conflict with the criteria outlined in 4.2.2.1 or 4.2.2.2 above. The Transporters have a requirement to notify Users if they intend to apply this provision and Users may apply to Ofgem for disapproval within five Business Days of this notification.

4.2.4. Uniform Network Code Committee Override (U 8.4.5 (c))

This permits Transporters to refer an implementation plan to the UNC Committee if consensus support for an implementation plan has not been achieved. Unlike the UK Link Committee, the UNC Committee can make decisions by a simple majority. The UNC Committee is also expected to follow the criteria outlined in 4.2.2.1 or 4.2.2.2 above but can exercise discretion.

4.3. Class 3 UK Link Modifications (U 8.5)

The default arrangement is that the process described in 4.2.1 above is followed. However, prior to implementation, the Transporters must make a UNC Modification Proposal, which could potentially propose different processes to those outlined in 4.2.1 above. The UNC Proposal would be subject to the Modification Rules, which are summarised below.

These rules provide for the UK Link Modification to receive formal consultation over the period that the UNC **Modification Panel** determines with a report sent to Ofgem that summarises the Modification, its justification, a recommendation for recovery of costs, implications for operations and systems and a summary of representations received. The Modification Panel, which can decide to recommend approval or not, initially considers this report. Once the Modification Panel reaches its decision, a final version of the report is sent to Ofgem.

Recommendations of the Modification Panel are based on whether implementation would "better facilitate" the achievement of the "relevant objectives". These are set-out in the Gas Transporter's Licence Standard Special Condition A11 and are:

- (a) Efficient and economic operation of the pipeline system
- (b) Co-ordinated efficient and economical operation of the combined pipeline system (NTS and DNS).

- (c) Efficient discharge of obligations under the Gas Transporter's Licence.
- (d) Securing effective competition between relevant shippers, suppliers and/or gas transporters.
- (e) Incentivising suppliers to satisfy domestic supply security to the level of 1 in 50 Severe Annual Demand (UNC General Terms C 2.6.4 (d)).
- (f) Efficient implementation and administration of the UNC.

Only if Ofgem approves the Modification will the Transporters proceed to implementation. However, in these circumstances, neither the UK Link Committee, nor the UNC Committee is able to reject the Transporters' implementation plan, although theoretically the right exists to appeal to Ofgem for disapproval.