

**Draft Modification Report**  
**Provision of Supply Point Information Service**  
**Modification Reference Number 0717**

Version 1.0

This Draft Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 8.9.3.

## **1. The Modification Proposal**

This Modification Proposal seeks to place an obligation within Network Code for a transporter to provide specified access arrangements (as per those that are currently in place and offered by NGT) and to prescribe a minimum acceptable service level for shippers.

## **2. Transco's Opinion**

It is Transco's opinion that this Modification Proposal should be implemented.

The proposer, BGT states that Condition 31 of the Gas Transporter Licence places an obligation on the transporter to establish or procure the operation and maintenance of a "Supply Point information service". BGT believes that this obligation itself is not prescriptive as to how a transporter should discharge its obligation. BGT claims that NGT currently does so by the provision and maintenance of a Supply Point information services by providing:

- a 'Requests for Information' (RFI) Telephone Bureau
- access to a Meter Point Reference (M Number) Website and
- through a Meter Point Reference Number (MPRN) Customer Helpline

BGT identifies that these services are provided as an integral part of NGT Customer Services and are currently not included within any Network Code provision or obligation. BGT's view is that although it is likely that the existing licence condition will be included within the obligations placed upon new Distribution Network (DN) owners following a sale, there is a concern that under new ownership that the DNs could, in the longer term, choose to discharge their obligations by providing a number of varied service offerings leading to diverse and different market arrangements.

BGT notes that whilst xoserve will, in the short term, continue to provide the service across all DNs in line with the current market arrangements, shippers are concerned that this may not be the case in the medium to longer term. BGT warns that DNs might seek to amend the level of service provided by their agency and in the longer term this could result in a reduced level of service meeting only minimal requirements to meet the licence condition. BGT claims that shippers require assurance that Supply Point information services, provided by transporters are maintained at least at the level available currently and this provision is consistent and robust into the future.

Transco acknowledges the views of BGT and accepts that Licence Condition 31 does not prescribe specifically how a transporter chooses to meet its obligations. Transco's opinion is that there would be an advantage in referencing details of its services within the Network Code. This is that shippers obligations in

their use of Transco's facilities may be clarified. This protects against invalid enquiries (e.g. where data is available via the internet) and multiple requests for the same information. The 'service path' would be identified as:

*Shippers and Suppliers are required use a sliding scale of more efficient services ahead of the less efficient, i.e. IX provided data initially, then SPA Enquiry (I&C only), then Internet, then CD ROM, then e-mail (for bulk/report requirements) and finally telephone contact.*

*A. User M Number Requests:*

- 1. Obtain from the consumer or utility infrastructure provider (UIP), if not identified then;*
- 2. Search the Internet, if not identified then;*
- 3. Search the CD ROM, if not identified then;*
- 4. Contact the M No Bureau (RFI Bureau).*

*B. Information other than M Number Requests:*

- 1. Search own systems, if challenging data then raise a query, if not identified then;*
- 2. Search Shipper Data Access (SDA) Internet service, if not identified then;*
- 3a. Submit e-mail request to the RFI Bureau (for bulk data requests), or*
- 3b. Contact the RFI Bureau.*

It is planned that comprehensive details of Transco's services (including the utilisation path described above) will be contained within a document being the 'Supply Point Information Service Guidelines' and duly referenced within the Network Code.

Transco's view is that in the longer term, it may be prudent to migrate its obligations in this area from the Network Code to the Supply Point Administration Agreement (SPAA). The rationale for this is that the data provided as part its Supply Point information service is essentially that required by suppliers to facilitate their 'retail' related activities. Transco's view is that once the SPAA regime becomes clearer, it would be desirable to consider migration of its Network Code obligations.

The Proposal was discussed by and received support from attendees at the September 2004 meeting of the Supply Point & Billing Workstream.

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

BGT articulates that maintaining shippers easy and appropriate access to key information would enable and support existing customer transfer processes to be effectively managed in line with industry requirements. BGT's view is that the inclusion of this provision as a Network Code obligation would ensure that the service would be maintained at least at current level within the proposed development of a Uniform Network Code under the new structure post DN Sale. Transco concurs with this view and believes that the proposed measures facilitate its GT Licence 'code relevant objective' of securing effective competition between relevant shippers and between relevant suppliers. Transco's opinion is also that clarification of the manner in which its services are utilised are consistent with facilitating the efficient operation by the licensee of its pipe-line system.

In the course of preparing draft legal text Transco has identified a concern which it considers should be brought to the attention of the community. This relates to the establishment within Network Code of the principle that for the purposes of this Proposal, internet and e-mail based notices are considered to be a method of Code Communication in accordance with Section W. While the proposed text ensures that this is confined to the scope of this Modification Proposal, Transco is concerned that the establishment of a precedent may give rise to further proposals to contractualise new methods of Code Communication. Whilst Transco is sympathetic to this principle, it is important that consideration be given to a thorough review of the implications for Network Code of broadening the methods which may fall within the remit of Code Communications. Transco believes that Users should be mindful of this pre-requisite in the event that further such requirements are identified.

**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:**

No such costs would be incurred by Transco.

**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 propose any additional cost recovery.

**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**

The level of Transco's contractual risk is not impacted by implementation of this Modification Proposal.

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

No such implications have been identified.

**7. The implications of implementing the Modification Proposal for Users**

Users would have clarity regarding the manner in which they are required to make use of Transco's Supply Point information service. Clarity would also be forthcoming in how Transco discharges its GT Licence obligations contained within Condition 31.

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

No such implications have been identified.

**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**

The measures described within this Modification Proposal are consistent with Licence Condition 31 of the Gas Transporters Licence.

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

Advantages:

- Establishes references within the Network Code to methods by which Transco discharges its GT Licence Condition 31 obligations.
- Clarifies the most efficient manner in which Transco's Supply Point Information service should be utilised by Users.

Disadvantages:

- There is a view that it may be premature to reference Transco's Supply Point Information Service within the Network Code given the industry's aspirations to relect 'supplier hub' retail related activities within the Supply Point Administration Agreement.

**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 is not required to facilitate such compliance.

**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**

This Modification Proposal is not required to facilitate any such change.

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

No program of works are required although Transco may seek in the future to verify the extent of Users compliance with their obligations for utilising Transco's services.

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

This Modification Proposal may be implemented with immediate effect.

**16. Recommendation concerning the implementation of the Modification Proposal**

Transco recommends that this Modification Proposal be implemented.

**17. Text**

**SECTION G: Supply Points**

*Add new paragraph G1.9.10 to read as follows:*

“Transco has established and shall maintain an information service (the “**Supply Point Information Service**”) in accordance with and subject to the provisions of Standard Condition 31 of the Transco Licence.”

*Add new paragraph G1.9.11 to read as follows:*

“Subject to paragraph 1.9.12, where a User requests information from the Supply Point Information Service, Transco shall provide in a timely manner such information that it is obliged to provide pursuant to Standard Condition 31 of the Transco Licence and subject to the provisions therein (the “**Supply Point Information**”).”

*Add new paragraph G1.9.12 to read as follows:*

“Transco shall publish from time to time a document setting out the methods by which a User may obtain the Supply Point Information (the “**Supply Point Information Service Guidelines**”). Where a User requires any Supply Point Information, it must follow the procedure as set out in the Supply Point Information Service Guidelines.”

**SECTION V: General**

*Amend Paragraph V11.1.1 to read as follows:*

“The Code contemplates that Code Communications...

(a) by UK Link...

(b) by delivery or by post or facsimile...

(c) for the purposes of Sections G1.9.12 only, by such methods as set out in the Supply Point Information Service Guidelines;

subject to and in accordance with the provisions of the Code.

***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:

**Declan McLaughlin**  
**Commercial Manager, Customer Service**

**Support Services**

Date: