

Modification Report
Modification Reference Number 0003

This modification report is made pursuant to Rule 7.4 of the Modification Rules and follows the format required under Rule 8.12.4.

1. The Modification Proposal:

Suppliers need to be informed as soon as reasonably practicable whether a supply point confirmation has been rejected by TransCo as this will impact on whether the registration date previously agreed with the consumer can be adhered to. For the Domestic Market, this may also impact on when the consumer needs to take an opening meter read.

There needs to be an obligation on TransCo to provide the reject report to Shippers as soon as reasonable practical and in any case within 5 Business Days of receiving the confirmation.

2. Text provided pursuant to Rule 7.2.2 (c) (ii):

Text in paragraph G.2.6.3 should be amended to read:

'Where TransCo rejects the Supply Point Confirmation, TransCo will, as soon as reasonably practical and in any event within 5 Business Days after receipt of the Supply Point Confirmation, inform the Proposing User of the provision of the Code pursuant to which the Supply Point Confirmation was rejected (and where such rejection was pursuant to paragraph 2.6.2 (i), the requirement of paragraph 2.6.1 which was not complied with).'

3. TransCos opinion:

TransCo supports this modification being made as it formalizes TransCo's current business practice.

4. Extent to which the modification would better facilitate the relevant objectives:

This will facilitate the effective and orderly use of Opening Meter Reads supplied by end users.

5. The implications for TransCo of implementing the Modification Proposal, including:

a) implications for the operation of System and any BG Storage Facility:

There are no immediate implications on the operation of the system or of any BG storage facility.

b) development and capital cost and operating cost implications

There are negligible costs in implementing this modification as it reflects current business practice.

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:

Not applicable.

d) analysis of the consequences (if any) this proposal would have on price regulation;
Not applicable.

6. 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;

There is no additional contractual risk due to this modification

7. The development implications and other implications for computer systems of TransCo and related computer systems of Relevant Shippers;

There are no implications for computer systems of either TransCo or Relevant Shippers.

8. The implications of implementing the modification for Relevant Shippers.

TransCo has not been informed of any impact of the implementation of this proposed modification on Relevant Shippers.

9. The implications of implementing of the modification for terminal operators, suppliers, producers and, any Non-Network Code Party;

TransCo has not been informed of implications for other relevant persons of implementing this proposed modification.

10. Consequences on the legislative and regulatory obligations and contractual relationships of TransCo and each Relevant Shipper and Non-Network Code Party (if any), of the implementation of the Modification Proposal;

TransCo has not been informed of any consequences upon the legislative and regulatory obligations and contractual relationships of implementing this proposed modification.

11. Analysis of any advantages or disadvantages of the implementation of the Modification Proposal;

TransCo has not been informed of any advantages or disadvantages of implementing this proposed modification.

12. Summary of the representations (to the extent that the import of those representations are not reflected elsewhere in the modification report;

Only one representation was received (copy attached) which was supportive of the proposal.

13. The extent to which the implementation is required to enable TransCo to facilitate compliance with safety or other legislation;

The proposed modification is not required to facilitate compliance with safety or other legislation.

14. Having regard to any proposed change in the methodology established under Standard Condition 3(5) or the statement; furnished by TransCo under Standard Condition 3(1) of the Licence;

The proposed modification is not required to comply with the above clause.

15. Programme of works required as a consequence of the implementation of the Modification Proposal:

Not applicable.

16. Proposed implementation timetable:

No timetable is required as no system development work need be undertaken in order to implement this modification.

17. Recommendation for the implementation of the modification:

TransCo recommend that the modification be implemented as soon as the Director gives consent to the modification.

18. Restrictive Trade Practices Act

If implemented this proposal will constitute an amendment to the Network Code. Accordingly the proposal is subject to the Suspense Clause set out in the attached Annex.

20. TransCo Proposal

This Modification Report contains TransCos proposal to modify the Network Code and TransCo now seeks a direction from the Director General in accordance with this report.

Signed for and on behalf of British Gas TransCo.

Signature:

Date:

Name:

Position:

Director General of Gas Supply Response

In accordance with Condition 7 (10) (b) of the Standard Conditions of Public Gas Transporters' Licences dated 21st February 1996 I hereby direct British Gas TransCo that the above proposal be made as a modification to the network code.

Signed for and on behalf of the Director General of Gas Supply.

Signature:

Date:

Name:

Position:

ANNEX

Restrictive Trade Practices Act - Suspense Clause

For the purposes of the Restrictive Trade Practices Act 1976, this document forms part of the Agreement relating to the Network Code which has been exempted from the Act pursuant to the provisions of the Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996. Additional information inserted into the document since the previous version constitutes a variation of the Agreement and as such, this document must contain the following suspense clause.

1. Suspense Clause

1.1 Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect:

- (i) if a copy of the Agreement is not provided to the Director General of Gas Supply (the "Director") within 28 days of the date on which the Agreement is made; or
- (ii) if, within 28 days of the provision of the copy, the Director gives notice in writing, to the party providing it, that he does not approve the Agreement because it does not satisfy the criterion specified in paragraph 2(3) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996.

provided that if the Director does not so approve the Agreement then Clause 1.2 shall apply.

1.2 Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect until the day following the date on which particulars of this Agreement and of any such arrangement have been furnished to the Office of Fair Trading under Section 24 of the Act (or on such later date as may be provided for in relation to any such provision) and the parties hereto agree to furnish such particulars within three months of the date of this Agreement.

MODIFICATION PROPOSALS

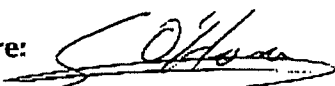
Reference Numbers: 0003 and 0038

DIRECTOR GENERAL OF GAS SUPPLY RESPONSE

In accordance with Condition 7(10)(b) of the Standard Conditions of Gas Transporters' Licences, dated 21 February 1996, I hereby direct British Gas TransCo that the proposals contained in the above Modification Reports, be made as modifications to the Network Code:

Signed for and on behalf of the Director General of Gas Supply

Signature:



Name: Sean O'Hara

Position: Grade 7

Date 13 June 1996