

CODE MODIFICATION PROPOSAL No. 0135

"To extend the scope of the RbD Auditor's role"

Version 1.0

Date: 28/2/07

Proposed Implementation Date:

Urgency: Non-Urgent

Proposer's preferred route through modification procedures and justification for Urgency (if applicable)

The proposer requests that this topic be developed by the Distribution Workstream before going to consultation.

Nature and Purpose of Proposal

The role of the RbD Auditor is narrowly defined in the UNC V.9.5 -9.7. In essence the role is to check that processes employed the Transporters to calculate the Aggregate NDM Reconciliation Charges are compliant with the provisions of the UNC. For a number of years the Auditor has reported that by and large the Transporters have complied with the said provisions. Improvements when they have been identified have been very minor and have been implemented quickly.

However, Shippers have been frustrated by the fact that the scope of the audit has been very narrow. They have frequently had concerns that there is no audit of any of the processes that supply the base data. It should be noted that it is not the intention of this proposal to investigate the accuracy of User's metered data that is used in NDM reconciliation as this is outside of the control of the Transporters. However there are a number of data feeds, which are fundamental to the accuracy of User's Energy and Transportation charges, which are under the management of the Transporters but are not subject to any independent audit.

It is proposed that the scope of the Auditor's role be widened to review those processes which have an impact upon the Transportation Charges which affect the RbD sector. It is also proposed that in order to manage the auditor in an efficient and economical manner that the amount of time spent on such investigations shall be limited to [50] man days per year. The precise nature of any of the investigations will be determined by the RbD Audit Sub Committee.

Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A11.1&2 of the Gas Transporters Licence

We believe that implementation of this Modification Proposal will further the relevant objectives, as specified in SSC A11 of the Gas Transporters licence, by:-

- *Securing effective competition between relevant suppliers and shippers (paragraph (d) and (ii) "*
- *Efficient and economic operation of pipeline system (paragraph (a))*

Any further information (Optional), likely impact on systems, processes or procedures, Proposer's view on implementation timescales and suggested text

It is not expected that there will be any changes to relevant users' operational processes and procedures.

Code Concerned, sections and paragraphs

UNC TPD Section V.9.5 – V9.7

Proposer's Representative

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Proposer

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Signature