

Workstream Report
Transporter Obligations Pertaining to Void and Vacant Sites
Modification Reference Number 0172

Version 0.1

This Workstream Report is presented for the UNC Modification Panel's consideration. [The Distribution Workstream considers that the Proposal is sufficiently developed and should now proceed to the Consultation Phase. The Workstream also recommends that the Panel requests the preparation of legal text for this Modification Proposal.]

1 The Modification Proposal

A User can be the Registered User of a meter point on a vacant or void site where the supply to that site has been isolated. Consequently the site is unable to offtake gas from the system. The fact that the meter point has been isolated will be recorded as such in the Sites and Meters database. For purposes of clarification the meter or meters at an isolated meter point is not physically removed from the site, it remains in situ although non-functioning. Until such time as a User withdraws from that MPRN, Transportation charges still have to be paid to the relevant Transporter.

There have been a number of cases where a property containing an isolated meter point has been demolished. When this occurs, the party carrying out the demolition is obliged under the Building Act 1984 to inform the relevant Transporter of the fact that this is being carried out in order to enable the Transporter to make safe the gas supply to the property prior to demolition.

It would be reasonable to expect the Transporter to inform the User of such disconnection of supply prior to demolition. Transporters have procedures in place to receive notice from parties involved in site demolition. However, following discussion with Transporters we accept that a demolition notice may be received but demolition may then occur significantly later or not at all. Therefore, we consider it appropriate to make the obligation on Transporters to inform Users of disconnection of gas supply rather than to inform Users of demolition notices received.

It is therefore proposed that it be made a requirement within the UNC for Transporters to inform Users of disconnections of gas supply carried out to a meter point or points prior to demolition of the site containing the affected meter or meters taking place.

We recognise that, in certain cases, demolition of sites is carried out illegally without the Transporter receiving the requisite information from the party involved. Clearly, in such a case, the Transporter can not be held responsible for failing to provide the User with information relating to a gas supply disconnection that they themselves have not conducted.

Since Transportation and or metering charges could continue to be levied as a result of the failure to complete the transfer of the requisite information we believe it should also be an obligation on the relevant Transporter to ensure that this information is sent to the Registered User within 10 working days of such gas supply

disconnection prior to demolition being carried out by the Transporter.

Suggested Legal Text

UNC Transportation Principle Document Section G 3.8.2 suggested text

“Where the relevant Transporter carries out, in line with notification under the Building Act 1984, disconnection of gas supply prior to the demolition of a property connected to the System, the Transporter shall notify the Registered User of such disconnection and any MPRN associated with that property within ten business days of such disconnection being carried out”.

2 Extent to which implementation of the proposed modification would better facilitate the relevant objectives

Standard Special Condition A11.1 (a): *the coordinated, efficient and economic operation of the pipe-line system to which this licence relates;*

Implementation would ensure that costs are targeted at those who incur them.

Standard Special Condition A11.1 (b): *so far as is consistent with sub-paragraph (a), the (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (c): *so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (d): *so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers;*

Implementation would ensure the correct allocation and validation on costs

Standard Special Condition A11.1 (e): *so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards (within the meaning of paragraph 4 of standard condition 32A (Security of Supply – Domestic Customers) of the standard conditions of Gas Suppliers’ licences) are satisfied as respects the availability of gas to their domestic customers;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (f): *so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code.*

Implementation would not be expected to better facilitate this relevant objective.

3 The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation

No implications on security of supply, operation of the Total System or industry fragmentation have been identified.

4 The implications for Transporters and each Transporter of implementing the Modification Proposal, including:

a) implications for operation of the System:

No implications for operation of the system have been identified.

b) development and capital cost and operating cost implications:

It is believed that there should no costs associated with this Proposal as there are processes already in place to perform this requirement

c) extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:

RWE Npower does not believe the costs associated with this modification to be significant enough to warrant special recovery mechanisms.

d) Analysis of the consequences (if any) this proposal would have on price regulation:

No consequence for price regulation has been identified.

5 The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal

No such consequence is anticipated.

6 The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users

No implications have been identified.

7 The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk

Administrative and operational implications (including impact upon manual processes and procedures)

No implications have been identified.

Development and capital cost and operating cost implications

No such costs have been identified.

Consequence for the level of contractual risk of Users

RWE Npower believes that implementation of this Modification Proposal will not have any impact on Users’ level of contractual risk.

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

No such implications have been identified.

9 Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal

No such consequences have been identified.

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

Advantages

- Accurate market data is transferred to the relevant user in an appropriate timescale
- Shippers are able to validate transportation and other charges more effectively.

Disadvantages

- None identified

11 Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Workstream Report)

No written representations have been received.

12 The extent to which the implementation is required to enable each Transporter to facilitate compliance with safety or other legislation

No such requirement has been identified.

13 The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence

No such requirement has been identified.

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

No programme for works has been identified.

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

It is proposed that the Modification is implemented with immediate effect following direction by the Authority.

16 Implications of implementing this Modification Proposal upon existing Code Standards of Service

No implications of implementing this Modification Proposal upon existing Code Standards of Service have been identified.

17. Workstream recommendation regarding implementation of this Modification Proposal

[The Distribution Workstream considers that the Proposal is sufficiently developed and should now proceed to the Consultation Phase. The Workstream also recommends that the Panel requests the preparation of legal text for this Modification Proposal.]