

**TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0425**  
"Amendments to Network Code Validation Rules"  
Version 2.0

**Date:** 05/09/2000

**Proposed Implementation Date:** 22/09/2000

**Urgency:** Urgent

**Justification**

Transco believes that it is appropriate that this proposal be dealt with Urgently to ensure that the current economic and efficient operation of meter read provision can continue. It does not propose any substantive change in the present regime, it simply permits what currently operates. As such, Transco does not believe there is any requirement to develop this proposal or to give it lengthy consideration.

The currently applied criteria continue to provide a perfectly sound commercial and technical regime. This proposal remedies a purely technical breach which seeks to resolve an inconsistency in the current practice. Furthermore, this is proposed as a temporary correction with development of the most appropriate Network Code Validation Rules for the longer term, going forward in parallel.

**Nature of Proposal**

The "Network Code Validation Rules" referred to in section M1.5.3 of the Network Code contain a specific test to be applied in validating meter readings where a corrector is fitted.

These rules require the operation of tolerance checking within a specified range. The tolerance test that Transco has applied since March 1996, whilst providing technically and commercially accurate information, have differed from those contained in the Network Code Validation Rules (Version 1.0).

This Modification proposal therefore seeks to replace the published "Network Code Validation Rules" (Version 1.0) with the test actually applied since March 1996 which will be contained in revised Version 2.0. To expedite this matter, this proposal also seeks to temporarily remove the requirement for three months notice prior to implementation as provided in M.1.5.3 and the Version 2.0 of the Validation Rules will be applicable with immediate effect.

In line with this proposal, Transco additionally proposes that a newly formed "Technical sub committee" is established, with the express role of establishing a framework for longer term corrector Validation criteria, which may be considered appropriate in any further revision to the Validation Rules.

A copy of the proposed Revised Network Code Validation Rules is attached (Version 2.0).

**Purpose of Proposal**

This Modification proposal will bring Transco's Network Code contractual requirements into line with its application of appropriate Validation Rules. As such it will legitimise the existing efficient and economic operation of the provision of valid meter readings.

Additionally, it will allow for further consideration of the most appropriate criteria to be employed (at a future date) to proceed in parallel and at an appropriate pace.

All shippers would benefit from Transco's continued operation of the validation criteria applied since the start of Network Code, maintaining the confidence required for Demand Estimation, Balancing and End-User Billing activities.

**Consequence of not making this change**

In absence of this (transitional) arrangement, Transco could apply the criteria within the existing Network Code Validation Rules (Version 1.0). This action would significantly reduce the number of "validated" reads issued to shippers with NDM and more particularly those shippers with DM supply points. The consequences of such an action could detrimentally affect both I&C and Domestic shippers.

Alternatively, Transco could continue to operate in technical breach of it's Network Code Validation Rules (and hence the Network Code), for a minimum period of 3 months.

**Area of Network Code Concerned**

M1.5.3

Transitional Document Part II

Paragraph 8.10.1., delete and insert new paragraph 8.10.1 as follows

"8.10.1 M1.5.3 Until [22 September 2000] (but not thereafter) the Network Code Validation Rules shall be treated, for the purposes of securing that they may be modified only by way of a Code Modification, as forming part of the Code".

With effect from the implementation date, the Network Code Validation Rules applicable for Code purposes will be those comprised in the Network Code Validation Rules dated [30 August 2000] Version 2.0 a copy of which is attached herewith

**Proposer's Representative**

Robert Cameron-Higgs (Transco)

**Proposer**

Tim M Davis (Transco)

**Signature**

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