

Draft Modification Report
Customer Requested Objections
Modification Reference Number 0641
Version 2.0

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

Where a Customer Requested Objection has been raised by the Existing Registered User and so identified to Transco, Transco would be obliged to pass on details of the objection to the Proposing User.

2. Transco's Opinion

It is Transco's opinion that this Modification Proposal, which has been developed within the Supply Point & Billing Workstream, should be implemented.

Following the conclusion of Ofgem's consultation document 'Objecting in the Domestic Market' (May 2003), a number of measures have been identified that seek to improve the current Supply Point transfer process. One of these is to introduce a new objection reason: - 'Customer Requested Objection' ('CRO'). A CRO would permit a customer to trigger an objection to a proposed Supply Point transfer where it has specifically stated to its current supplier that it has not entered into a contract to transfer supply. Where such an objection has been raised then the Proposing User would be obliged not to proceed with registration of the Supply Point.

To ensure consistency with the relevant new licence condition (Standard 46 of Suppliers Licence), Transco believes that modification of the Network Code is necessary to require Transco to pass on details of a CRO to the Proposing User where they have received notice of such from the Existing Registered User.

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

This Modification Proposal seeks to facilitate a Customer Requested Objection as permitted by the Supplier Licence. Transco believes that implementation would better facilitate its Licence Relevant Objective to secure effective competition between relevant shippers and between relevant suppliers.

If this change were not made Transco would not be obliged to pass on information relating to CROs where supplied by a User.

**4. The implications for Transco of implementing the Modification Proposal , including
a) implications for the operation of the System:**

No implications for the operation of the system have been identified.

b) development and capital cost and operating cost implications:

No such implications have been identified.

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:

No costs would be incurred by Transco as a consequence of implementing this Modification Proposal.

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

Implementation of this Modification Proposal would not increase the level of Transco's contractual risk.

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

No changes would be required to Transco's UK-Link system to facilitate implementation of this Modification Proposal.

Note: Use by Users of the existing 'free text' notification facility available within the relevant objection notification file format would be required, accompanied by the setting of the 'contract' objection reason code. Transco acknowledges that a longer term enhancement could be the introduction of new UK-Link and User functionality which transacts a new 'objection reason code' but that that this is not currently a high priority.

7. The implications of implementing the Modification Proposal for Users

No significant implications are anticipated. It is expected that Users would need to ensure effective procedures are established to ensure that they act appropriately upon receipt of a CRO.

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

Implementation of this Modification Proposal would ensure relevant suppliers were aware that a 'Customer Requested Objection' had been raised.

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

Implementation of this Modification Proposal would ensure that suppliers can rely on information relating to CROs being transferred between them as envisaged by new Standard Condition 46 of the Suppliers Licence.

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

Advantages:

- Establishes a contractual obligation for Transco to pass relevant information between shippers to help ensure that suppliers are able to comply with their Licence condition obligation.
- Improves the inter User/supplier communication process associated with Supply Point Objections.

Disadvantages:

Transco has not been able to identify any disadvantages.

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 sought.

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

Implementation of this Modification Proposal would enable Transco to facilitate compliance by suppliers with new Standard Condition 46 of the Suppliers Licence.

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 programme of works would be required to facilitate implementation of this Modification Proposal.

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

Principal Document Section G2.8.3. Add:

“(e) and that Supply Point Objection was raised at the request (whether directly or indirectly) of the Consumer in respect of the affected Existing Supply Point, Transco will, where the reasons for the objection have been provided to Transco by the objecting User, within 2 Business Days after the Supply Point Objection was submitted, notify such reasons to the Proposing User”

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:

Sharon McLaughlin
Customer Services Manager

Support Services

Date: