

**Modification Report**  
**Provision of Supply Point Information Service**  
**Modification Reference Number 0717**  
Version 1.0

This Modification Report is made pursuant to Rule 8.9 of the Modification Rules and follows the format required under Rule 8.9.3.

**1. The Modification Proposal**

This Modification Proposal seeks to place an obligation within Network Code for a Transporter to provide specified access arrangements (as per those that are currently in place and offered by NGT) and to prescribe a minimum acceptable service level for Shippers.

**2. Transco's Opinion**

It is Transco's opinion that this Modification Proposal should be implemented.

The proposer, BGT states that Condition 31 of the Gas Transporter Licence places an obligation on the transporter to establish or procure the operation and maintenance of a "Supply Point information service". BGT believes that this obligation itself is not prescriptive as to how a transporter should discharge its obligation. BGT claims that NGT currently does so by the provision and maintenance of a Supply Point information services by providing:

- a 'Requests for Information' (RFI) Telephone Bureau
- access to a Meter Point Reference (M Number) Website and
- through a Meter Point Reference Number (MPRN) Customer Helpline

BGT identifies that these services are provided as an integral part of NGT Customer Services and are currently not included within any Network Code provision or obligation. BGT's view is that although it is likely that the existing licence condition will be included within the obligations placed upon new Distribution Network (DN) owners following a sale, there is a concern that under new ownership that the DNs could, in the longer term, choose to discharge their obligations by providing a number of varied service offerings leading to diverse and different market arrangements.

BGT notes that whilst xoserve will, in the short term, continue to provide the service across all DNs in line with the current market arrangements, shippers are concerned that this may not be the case in the medium to longer term. BGT warns that DNs might seek to amend the level of service provided by their agency and in the longer term this could result in a reduced level of service meeting only minimal requirements to meet the licence condition. BGT claims that shippers require assurance that Supply Point information services, provided by transporters are maintained at least at the level available currently and this provision is consistent and robust into the future.

Transco acknowledges the views of BGT and accepts that Licence Condition 31 does not prescribe specifically how a transporter chooses to meet its obligations. Transco's opinion is that there would be an advantage in referencing details of its services

within the Network Code. This is that shippers obligations in their use of Transco's facilities may be clarified. This protects against invalid enquiries (e.g. where data is available via the internet) and multiple requests for the same information. The 'service path' would be identified as:

*Shippers and Suppliers are required use a sliding scale of more efficient services ahead of the less efficient, i.e. IX provided data initially, then SPA Enquiry (I&C only), then Internet, then CD ROM, then e-mail (for bulk/report requirements) and finally telephone contact.*

*A. User M Number Requests:*

- 1. Obtain from the consumer or utility infrastructure provider (UIP), if not identified then;*
- 2. Search the Internet, if not identified then;*
- 3. Search the CD ROM, if not identified then;*
- 4. Contact the M No Bureau (RFI Bureau).*

*B. Information other than M Number Requests:*

- 1. Search own systems, if challenging data then raise a query, if not identified then;*
- 2. Search Shipper Data Access (SDA) Internet service, if not identified then;*
- 3a. Submit e-mail request to the RFI Bureau (for bulk data requests), or*
- 3b. Contact the RFI Bureau.*

It is planned that comprehensive details of Transco's services (including the utilisation path described above) will be contained within a document being the 'Supply Point Information Service Guidelines' and duly referenced within the Network Code.

Transco's view is that in the longer term, it may be prudent to migrate its obligations in this area from the Network Code to the Supply Point Administration Agreement (SPAA). The rationale for this is that the data provided as part its Supply Point information service is essentially that required by suppliers to facilitate their 'retail' related activities. Transco's view is that once the SPAA regime becomes clearer, it would be desirable to consider migration of its Network Code obligations.

The Proposal was discussed by and received support from attendees at the September 2004 meeting of the Supply Point & Billing Workstream.

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

BGT articulates that maintaining shippers easy and appropriate access to key information would enable and support existing customer transfer processes to be effectively managed in line with industry requirements. BGT's view is that the inclusion of this provision as a Network Code obligation would ensure that the service would be maintained at least at current level within the proposed development of a Uniform Network Code under the new structure post DN Sale. Transco concurs with this view and believes that the proposed measures facilitate its GT Licence 'code relevant objective' of securing effective

competition between relevant shippers and between relevant suppliers. Transco's opinion is also that clarification of the manner in which its services are utilised are consistent with facilitating the efficient operation by the licensee of its pipe-line system.

In the course of preparing draft legal text Transco has identified a concern which it considers should be brought to the attention of the community. This relates to the establishment within Network Code of the principle that for the purposes of this Proposal, internet and e-mail based notices are considered to be a method of Code Communication in accordance with Section W. While the proposed text ensures that this is confined to the scope of this Modification Proposal, Transco is concerned that the establishment of a precedent may give rise to further proposals to contractualise new methods of Code Communication. Whilst Transco is sympathetic to this principle, it is important that consideration be given to a thorough review of the implications for Network Code of broadening the methods which may fall within the remit of Code Communications. Transco believes that Users should be mindful of this pre-requisite in the event that further such requirements are identified.

**4. The implications for Transco of implementing the Modification Proposal , including**

**a) implications for the operation of the System:**

No such implications have been identified.

**b) development and capital cost and operating cost implications:**

No such costs would be incurred by Transco.

**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:**

Transco does not propose any additional cost recovery.

**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**

The level of Transco's contractual risk is not impacted by implementation of this Modification Proposal.

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

No such implications have been identified.

**7. The implications of implementing the Modification Proposal for Users**

Users would have clarity regarding the manner in which they are required to make use of Transco's Supply Point information service. Clarity would also be forthcoming in how Transco discharges its GT Licence obligations contained within Condition 31.

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

No such implications have been identified.

**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**

The measures described within this Modification Proposal are consistent with Licence Condition 31 of the Gas Transporters Licence.

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

Advantages:

- Establishes references within the Network Code to methods by which Transco discharges its GT Licence Condition 31 obligations.
- Clarifies the most efficient manner in which Transco's Supply Point Information service should be utilised by Users.

Disadvantages:

- There is a view that it may be premature to reference Transco's Supply Point Information Service within the Network Code given the industry's aspirations to relect 'supplier hub' retail related activities within the Supply Point Administration Agreement.

**11. Summary of the Representations (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)**

Five representations were received with respect to this Modification Proposal. All were supportive of its implementation.

All respondents provide comments which are sympathetic with the concern identified by the proposer that inclusion of the provisions within the Unified Network Code would *"provide a clear and consistent provision of this information across all Distribution Networks"*. E.ON UK states that *"If this proposal is not implemented, we agree with the proposer that the danger arises for DNs to seek to amend the level of service provided by their agency to only minimal requirements to meet their licence condition"*. RWE Npower's opinion

is that the move *"ensures there is no deviation by DN Owners in respect of the service currently provided to Users"*. Total Gas & Power identifies that *"We agree that the service currently provided by Transco should be referenced within Network Code to ensure that a single nationwide service is maintained with a consistent service level"*.

In relation to the above comments, Total Gas & Power notes that *"We believe that this will ensure that data quality will be easier to maintain than if several different services are provided by Distribution Network"*. Edf Energy adds that *"Following the sale of networks we would not like to see a degradation in this provision of information. Introducing this into the Network Code is one way of ensuring this service is maintained in its current entirety"*. Transco concurs with the views of the above respondents.

All respondents cite the need for consistent minimum service levels for Users to be reflected within the Network Code. British Gas (BGT) states that *"The purpose of this modification is to specify a base level of provision"*, a view supported by RWE Npower which notes *"It is essential that the SPA information continues to be provided at least to its current level"*. E.ON UK plc identifies that *"If this proposal is not implemented, we agree with the proposer that the danger arises for DNs to seek to amend the level of service provided by their agency to only minimal requirements to meet their licence condition, potentially inhibiting the customer transfer process through degradation of service"*. Transco acknowledges and is sympathetic with this view.

EDF Energy notes that it has *"found having access to supply point information invaluable in helping to resolve consumer issues"*. Similarly, REW Npower comments that *"it has proved to be invaluable in mitigating errors and delays within the Change of Supply process"*. Transco acknowledges the views of these respondents.

Two respondents comment on the supporting document being the Supply Point Information Service Guidelines. EDF Energy advises that *"Introducing the 'Supply Point Information Service Guidelines' document into the Network Code will provide the new distribution network owners with an idea of how shippers expect this service to be operated"*. Total Gas & Power Ltd (TGP) comments that *"The level of service that is provided by Transco directly impacts on the service provided to customers by Users. Any changes to the service provision will affect Users' ability to bill customers in an accurate and timely fashion. Hence we believe that to give comfort to Users that the Service Guidelines will be maintained in the most efficient way possible, the legal text inserted into the Network Code should reflect the need for consultation with Users when any changes to the service are proposed. The legal wording should also give provision for Users to suggest changes to service levels to reflect industry best practice"*. TGP adds that *"This will ensure that efficiencies that are identified by Users will be captured by the guidelines document and any changes made will be fully evaluated prior to implementation. If the Network Code does not highlight this need for consultation, then we feel that the 'Supply Point Information Service Guidelines' may not be completely adhered to by Users if*

*they feel that it does not reflect best practice in dealing with data quality issues".*

Transco acknowledges the view of the above respondent and has amended the legal text to reflect the need for consultation with Users when a requirement to amend the document is identified. This approach is consistent with similar documentation referenced within the Network Code. Transco does not, however, believe that any further description is necessary, for example the 'best practice' references as advocated by the above respondent. Experience has shown that previous User consultation in accordance with Network Code, for example that undertaken in association with the 'Network Code Reconciliation Suppression Guidelines' (E8.1.2) and 'Standards of Service Query Management Operational Guidelines' (S4.8.1(a)) has proven to be effective in ensuring the appropriateness and currency of such documentation.

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

Implementation is not required to facilitate such compliance.

**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 program of works are required although Transco may seek in the future to verify the extent of Users compliance with their obligations for utilising Transco's services.

**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. 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.

## **18. Transco's Proposal**

This Modification Report contains Transco's proposal to modify the Network Code and Transco now seeks direction from the Gas & Electricity Markets Authority in accordance with this report.



## 19. Text

### SECTION G: Supply Points

*Add new paragraph G1.9.10 to read as follows:*

“Transco has established and shall maintain an information service (the “**Supply Point Information Service**”) in accordance with and subject to the provisions of Standard Condition 31 of the Transco Licence.”

*Add new paragraph G1.9.11 to read as follows:*

“Subject to paragraph 1.9.12, where a User requests information from the Supply Point Information Service, Transco shall provide in a timely manner such information that it is obliged to provide pursuant to Standard Condition 31 of the Transco Licence and subject to the provisions therein (the “**Supply Point Information**”).”

*Add new paragraph G1.9.12 to read as follows:*

“Transco shall publish a document as prepared and revised from time to time by Transco (in consultation with Users) setting out the methods by which a User may obtain the Supply Point Information (the “**Supply Point Information Service Guidelines**”). Where a User requires any Supply Point Information, it must follow the procedure as set out in the Supply Point Information Service Guidelines.”

### SECTION V: General

*Amend Paragraph V11.1.1 to read as follows:*

“The Code contemplates that Code Communications...

(a) by UK Link...

(b) by delivery or by post or facsimile...

(c) for the purposes of Sections G1.9.12 only, by such methods as set out in the Supply Point Information Service Guidelines;

subject to and in accordance with the provisions of the Code.



Signed for and on behalf of Transco.

Signature:

**Declan McLaughlin**  
**Commercial Manager - Customer Service**  
**Support Services**

Date:

**Gas and Electricity Markets Authority Response:**

In accordance with Condition 9 of the Standard Conditions of the Gas Transporters' Licences dated 21st February 1996 I hereby direct Transco that the above proposal (as contained in Modification Report Reference **0717**, version **1.0** dated **24/12/2004**) be made as a modification to the Network Code.

Signed for and on Behalf of the Gas and Electricity Markets Authority.

Signature:

The Network Code is hereby modified with effect from, in accordance with the proposal as set out in this Modification Report, version **1.0**.

Signature:

**Process Manager - Network Code**  
**Transco**

Date:

## **Annex**

1. Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which The Restrictive Trade Practices Act 1976 ("the RTPA"), had it not been repealed, would apply to this Agreement or such arrangement shall not come into effect:
  - (i) if a copy of the Agreement is not provided to the Gas and Electricity Markets Authority ("the Authority") 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 Authority 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 paragraphs 1(6) or 2(3) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996 ("the Order") as appropriate

provided that if the Authority does not so approve the Agreement then Clause 3 shall apply.
2. If the Authority does so approve this Agreement in accordance with the terms of the Order (whether such approval is actual or deemed by effluxion of time) any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which the RTPA, had it not been repealed, would apply this Agreement or such arrangement shall come into full force and effect on the date of such approval.
3. If the Authority does not approve this Agreement in accordance with the terms of the Order the parties agree to use their best endeavours to discuss with Ofgem any provision (or provisions) contained in this Agreement by virtue of which the RTPA, had it not been repealed, would apply to this Agreement or any arrangement of which this Agreement forms part with a view to modifying such provision (or provisions) as may be necessary to ensure that the Authority would not exercise his right to give notice pursuant to paragraph 1(5)(d)(ii) or 2(2)(b)(ii) of the Order in respect of the Agreement as amended. Such modification having been made, the parties shall provide a copy of the Agreement as modified to the Authority pursuant to Clause 1(i) above for approval in accordance with the terms of the Order.
4. For the purposes of this Clause, "Agreement" includes a variation of or an amendment to an agreement to which any provision of paragraphs 1(1) to (4) in the Schedule to the Order applies.