

**Draft Modification Report**  
**Provision and Maintenance of Large Firm Supply Point Emergency Contact Information by the Gas**  
**Transporter**  
**Modification Reference Number 0007(0728)**  
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 9.6.

**1. The Modification Proposal**

To place the management of Large Firm Emergency Contact Information on the relevant Gas Transporter.

For the avoidance of doubt Users would still remain responsible for the initial provision of this data as part of the Change of Supplier process and would retain overall responsibility for satisfying the obligation.

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

Transco does not support implementation of this Modification Proposal.

This Modification Proposal features retention of the general obligation for emergency contact data provision by Users but requires transporters to be contractually obliged to 'manage' the data on a Users behalf. The originator states that Users would originally provide the contact data at 'change of supplier' but transporters would assume responsibility for maintaining the currency of the information.

Transco notes that shippers/suppliers are currently accountable for the provision of this information, have a relationship with their consumers and would, if they so chose, have levers available to them to ensure that the data is provided (e.g. offering incentives for customers which provide the information and penalties where auditing shows the information is not accurate or maintained.)

We understand that the performance of collecting data from and contacting large firm consumers is currently unsatisfactory. Transco is concerned that despite previous efforts made in working with shippers/suppliers to improve the position, the proposal does not take account of the root cause analysis undertaken on the nature of the current difficulties conducted by the Gas Advisory Task Group (GATG).

Transco has actively participated within GATG whose remit was to assess root cause. This group involved participation from shippers, suppliers and end consumer representatives under the governance of the Gas & Electricity Industry Emergency Committee (GEIEC). The GATG has drawn on the findings and work of a previous exercise undertaken by the Commercial Issues Working Group (CIWG) and is due to report to the GEIEC. The GATG has met on three occasions and has yet to conclude its work.

Transco believes that this Modification Proposal is premature and does not offer any evidence to suggest that if accountabilities were changed, performance would improve - Transco's opinion is that its implementation could trigger a degradation of the issue

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

Transco does not believe that this Modification Proposal facilitates its GT Licence 'code relevant objectives'.

The proposer identifies that transporters would undertake the 'management' activity on behalf of the User, relying on the User's contractual terms of supply to the consumer. Transco does not believe that this is a sustainable position particularly as it has no ability to recover costs for the provision of such a service. Transco believes that shippers/suppliers are the bodies with a contractual relationship with consumers and are therefore the only party which can enforce the requirements of provision of information.

Transco believes that the GATG proposals in respect of making improvements to the operation of the current regime have not been afforded the opportunity to take effect. Tests of the emergency contact process have shown that there is a range of performance across shippers. Whilst the industry average is poor, some individual organisations are achieving a performance of circa 80%. In Transco's opinion, this demonstrates that the existing process can work, subject to the appropriate best practice being applied and relevant education being delivered.

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

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

It is important to note that Transco maintains a safe system regardless of the performance of the emergency contact process. Transco has arrangements in place where it can physically secure the network (forced isolation from as low a level as site by site or securing at higher level within the network). The emergency contact process is present to ensure all industry parties work together to achieve reduction in load in an efficient manner, with as minimal disruption to end consumers as possible.

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

Transco would incur costs due to the following:

- Cost of developing/enhancing relevant systems to capture and maintain consumer data.
- Costs associated with installing a process for validating contact data.
- Costs associated with contacting and establishing a relationship with individual consumers.

The above costs are not quantified but could be expected to be significant.

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

This Modification Proposal does not identify how Transco would be financially compensated for procuring and maintaining data on behalf of Users.

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

No such impacts have 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**

Transco's contractual risk may be increased by implementation of this Modification Proposal. Transco does not presently have a contractual relationship with consumers. While this Proposal does not contemplate such a relationship (Transco would be operating as an 'agent' of shippers), Transco's view is that it would be assuming responsibilities on behalf of Users while being reliant on Users ensuring that robust contractual arrangements were in place. Such arrangements would be necessary to ensure that Transco was able to procure the information it would require to meet its Code obligations.

**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**

Changes to Transco's UK-Link system would be required.

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

Irrespective of the party responsible for the 'management' of emergency contact data, Users would need to ensure that relevant provisions were incorporated and maintained as a function of the supply contract. Users would remain responsible for the procurement of emergency contact data upon first registration or at transfer of User 'ownership'.

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

Implementation of this Modification Proposal could lead to duplication and potentially greater levels of error in the contact data held by different parties. This is because the Proposal contemplates that Users would provide contact data to Transco upon 'first registration' and supplier transfer, but Transco would then be required to 'manage' (maintain) the data in conjunction with consumers. Therefore, in effect, information would be routinely procured directly from consumers by Transco, but in other circumstances, would be provided to Transco by Users via the 'contractual chain'.

**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**

Transco's view is that the following legislative and licence conditions sets out the suppliers and shippers central role in the provision to transporters of 'emergency contact' information. In Transco's opinion, the measures identified within this Modification Proposal are not consistent with these obligations.

Statute

Gas Safety (Management) Regulations 1996 (GS(M)R):

GS(M)R Regulation 6 – Co-operation

‘Every person to whom this paragraph applies shall co-operate so far as is necessary with a person conveying gas in a network and with a network emergency co-ordinator to enable them to comply with the provisions of these Regulations’

‘... applies to— the holder of a licence issued under section 7A of the Gas Act 1986...’

GS(M)R Schedule 1

Transco’s Safety Case currently defines the methods by which Transco facilitates the meeting of the above defined obligations. Transporters are required to specifically state the arrangements in place to discontinue supply to consumers within their safety cases under GS(M)R Schedule 1 item 20 which states: 'Without Prejudice to paragraph 18.....particulars of the procedures that the duty holder has established to discontinue supply safely to consumers, when it is know that there is insufficient gas to satisfy demand'. Changes to this document as would be required should this Modification Proposal be implemented would require approval by the Health and Safety Executive.

Licence

Suppliers Licence – Condition 14(2) & (3) (Security and Emergency arrangements):

'the Licensee shall use best endeavours to comply with all requests made by the relevant transporter.....for the purpose of.....securing the safety of the pipe-line system or the safe conveyance of gas.....'

Supply contract for 'non-domestic' customers shall include terms that ‘for the duration of a pipe-line system emergency.....’.....‘the licensee is entitled at the request of the relevant transporter or shipper to discontinue the supply of gas to the premises’.

Suppliers Licence – Condition 16(1)(a) (Exchange of information.....):

‘.....the licensee shall provide information reasonably requested by a relevant transporter.....for the purpose of enabling the transporter to fulfil its licence obligations to draw up plans for the safe operation.....of its pipe-line system’.

Shippers Licence – Condition 5 (Obligations as Respects Emergencies etc).

Also contains ‘requests by the transporter’ provisions.

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

Advantages:

- Transco is unable to identify any advantages relevant to this Modification Proposal.

Disadvantages:

- Proposals are not consistent with the current provisions of the Supplier and Shipper Licences and the Gas Safety (Management) Regulations (GS(M)R).
- There is no demonstrable likelihood of the accuracy of the data held by Transco being improved by implementation of this Modification Proposal.

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

Representations are now invited.

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

Implementation of this Modification Proposal is not required to enable Transco to facilitate compliance with safety or any other legislation.

**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**

Implementation of this Modification Proposal is not required to facilitate any such change.

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

If this Modification Proposal were implemented a programme of works would be required. This would include development of UK-Link functionality, establishment of contact relationships with consumers and changes to each Relevant Transporters Safety Case.

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

In view of Transco's recommendation, no implementation timetable is proposed.

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

**17. Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel**

Transco does not recommend implementation of this Modification Proposal.

## 19. Text

Transco does not support implementation of this Modification Proposal. Legal text has therefore not been provided at this stage.

*Representations are now sought in respect of this Draft Report and prior to the Transporters finalising the Report*

Subject Matter Expert sign off:

*I confirm that I have prepared this modification report in accordance with the Modification Rules.*

Signature:

Date :

Signed for and on behalf of Relevant Gas Transporters:

**Declan McLaughlin**  
**Commercial Manager, Customer Service**

Signature:

Date :