



*From our choice and
value to customers*

Our Ref: Net/Cod/IPGT4
Direct Dial: 020 7901 7032
Email: modifications@ofgem.gov.uk

23 August 2005

GTC Pipelines Ltd, Shippers and other parties.

Dear Colleague,

Modification Proposal GPL21: To mandate the provision of the New Supplier identity to the Old Shipper as part of the Ceased Responsibility Notice.

After consideration of the Modification Proposal and having regard to its statutory duties, Ofgem has decided to direct The GTC Pipelines Ltd (GPL) to implement this modification, because we believe that the proposal will better facilitate the relevant objectives of the Network Code.

In this letter, we explain the background to the Modification Proposal and give our reasons for making our decision.

Background to the proposal

The Customer Transfer Programme (CTP), identified areas for improving the communication of customer information between suppliers during the customer transfer process. The End to End CTP solutions included a defined process where the Old Supplier sends information from its billing processes directly to the New Supplier using a new flow, called the Notification of Old Supplier Information (NOSI) Flow. The New Supplier can then use that information to identify issues early in the process, allowing them to take remedial action or manage the customers' expectation appropriately.

The Modification Proposal

The Modification Proposal seeks to modify the GPL Network Code such that it mandates the provision of the identity of the New Supplier to the Outgoing Shipper.

The Proposer considers the Modification Proposal will improve the robustness of the Change of Supplier process by providing a facility for the New Supplier to spot potential issues early in the transfer process.

The Proposer therefore considers that the Modification will better facilitate effective competition between relevant shippers and between relevant suppliers, by improving the efficiency, accuracy and timeliness of the Change of Supplier process.

Respondents' views

GPL received two responses in relation to this modification proposal both of which support the implementation of the proposal.

Ofgem's view

Ofgem considers that the Proposed Modification would benefit suppliers in a number of areas which require supplier to supplier communication, and will therefore better facilitate the communication of customer information between suppliers during the customer transfer process. Ofgem also considers that this will further facilitate effective competition between suppliers.

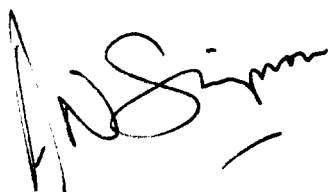
Ofgem's decision

For the reasons set out above Ofgem has decided to direct GPL to implement Modification Proposal 21. Ofgem considers that the Modification Proposal will further the relevant objectives of the GPL Network Code, as set out in Standard Licence Condition 9 of its Gas Transporters Licence.

In accordance with condition 9 (9) (b) of the standard conditions of the GTC Pipelines Ltd Transporters Licence, dated 9 September 1996, I hereby direct GTC Pipelines Ltd that the above proposal (as contained in GTC Pipelines Ltd Network Code Modification report 21 dated 26 July 2005) be made as a modification to the Network Code.

If you have any queries in relation to the issues raised in this letter, please feel free to contact Samantha McEwen on 020 7901 7032.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'N Simpson', with a horizontal line underneath.

Nick Simpson
Director, Modifications
Signed for and on behalf of the Gas and Electricity Markets Authority (Ofgem).