



*Promoting choice and
value for all customers*

Gas Transportation Company Ltd,
Shippers and interested parties

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05 July 2006

Dear Colleague,

Modification proposal GTC333, GPL32 and UGI 24: 'Introduction of the "Shipper data interchange manual" as an ancillary document to the Network Code'

Ofgem has considered the issues arising from the above modification proposals, raised simultaneously to the Network Codes of the Gas Transportation Company Ltd (GTC), GTC Pipelines Ltd (GPL) and Utility Grid Installations Ltd (UGI) (hereafter jointly referred to as GTC¹). Ofgem considers that this modification will better facilitate the relevant objectives of the Network Code(s) as defined in standard condition 9 of the Gas Transporters Licence and having also had regard to its statutory duties, has therefore decided to direct that this proposal be implemented.

The modification proposal

GTC are seeking to formalise the governance of its communications arrangements and business processes across its Network Codes. The modification proposal seeks establish a Shipper Data Interchange Manual ('the Manual') that will set out formats, user instructions, data items and transfer methods and protocols requiring formal governance.

The modification proposal only introduces an initial framework. Once introduced, GTC or Shippers will be able to propose changes and introduce schedules to the Manual. The Manual will form part of the GTC Network Code and, for the purpose of modifications and change proposals, will follow the recently aligned Network Code modification rules and timescales. It is expected that as schedules are introduced GTC, all Shippers will be obliged to comply with the contents as set out in the Manual. GTC is expected to hold copies of the relevant documentation contained within the Manual on the GTC Website.

By proposing a mechanism to introduce formal governance around business processes between GTC and Shippers, GTC believe that the modification proposal will assist in the:

- efficient and economic operation of its pipeline system by allowing agreed processes to be automated and ambiguity removed for all parties; and

¹ The [Gas Transportation Company](http://www.ofgem.gov.uk) is a subsidiary of Babcock & Brown Infrastructure Ltd. It also owns GTC Pipelines Ltd and Utility Grid Installations Ltd (UGI).

- securing of effective competition between relevant shippers and relevant suppliers by addressing the concerns expressed many times by Shippers that lack of formal governance and robust change management processes materially affect their ability to service GTC customers.

Respondent's views

There were 4 respondents² to this modification proposal. All respondents were fully supportive of this modification.

The respondents considered that the modification proposal would align the timescales in which iGT changes are implemented and therefore enable Parties to effectively plan for system development and implementation. Respondents therefore considered that the modification proposal will provide greater transparency and change over data flows that are contained within the manual and will facilitate competition within the iGT market.

Some respondents noted that that they would welcome a similar ancillary document adopted by all iGT Network Codes and considered that this would provide the foundation to implement standardised arrangements across the iGT market.

Ofgem's view

Ofgem supports better governance and transparency in iGT arrangements. We consider that the modification proposal will formalise governance of GTC's communications arrangements and better facilitate GTC's business processes between Shippers across its networks.

In addition, whilst we have noted respondents' views that introducing a similar document across other iGT Network Codes may better facilitate the governance and change management arrangements between Shippers and all iGT's, we do not consider that this is within the scope of the modification proposal or Ofgem's decision on this modification proposal. Parties who are signatories of other iGT Network Codes may therefore raise modifications to address this issue, as they see fit.

Ofgem's decision

For the reasons provided above, Ofgem has decided to direct GTC to implement this modification to each of its Network Codes. If you would like to discuss any of the issues raised in this letter please feel free to contact me on the number above or Ndidi Njoku on 020 7901 7157.

Yours sincerely



Nick Simpson
Director, Industry Codes and Licensing

² Scottish Power Energy Management Limited, Southern Electric Limited, EDF Energy Limited & Npower Limited