



Our Ref: Net/Cod/iPGT
Direct Dial: 020 7901 7491
Email: nick.simpson@ofgem.gov.uk

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ES Pipelines Ltd, Shippers and other parties.

Dear Colleague,

Modification Proposal ESP102: Change of Supplier without Confirmation.

Ofgem has considered the issues raised in modification proposal ESP102 and has decided to direct ES Pipelines Ltd (ESP) to implement the modification. This letter explains the background to this modification proposal and explains the reasons for our decision.

Background to the proposal

Modification Proposal 663: 'Provisions to permit a User to change the supplier ID at a Supply Point without submitting a Confirmation and removal of the requirement to procure an Opening Meter Reading', to Transco's Network Code was approved by Ofgem on 21 April 2004.

Currently the ESP network code requires in all circumstances where a shipper wishes to record a change to the relevant supplier of a supply point, that the shipper must enact such change by submitting a confirmation. In addition, an opening meter read is required.

As part of an annual review of the ESP Network Code, ESP identified an inconsistency between their existing change of supplier practices and those changes introduced to Transco's Network Code via the implementation of modification proposal 663.

The modification proposal

This modification proposal seeks to amend the requirements where a change of supplier occurs but the shipper remains the same. Specifically, the proposal seeks to remove the obligation to submit a confirmation and an opening meter read where this particular type of change of supplier occurs.

Views of respondents

ESP received two responses in relation to this modification proposal. Both respondents support the implementation of the proposal but do not offer any comments over and above simple support.

Ofgem's Views

The removal of the requirement to provide an Opening Meter Read where there is no change of supplier ID will contribute to a more efficient and streamlined process for enacting changes of supplier. Similarly, the removal of the obligation to submit a confirmation where a shipper ID changes but a supplier ID stays the same should also contribute to a more efficient change of supplier process.

Alignment of ESP's processes with those of Transco will also allow shippers to operate more efficiently as they will be in a position to apply one consistent process regardless of which Gas Transporter they are dealing with. Ofgem welcomes the changes proposed by ESP102 as the modification is an improvement to current network code arrangements.

Ofgem's Decisions

For the reasons outlined above Ofgem has decided to direct ESPN to implement modification proposal ESP102. Ofgem considers that the modification proposal will further the relevant objectives of the ESP Network Code, as set out in Standard Condition 9 of the Gas Transporters Licence.

In accordance with condition 9 (9) (b) of the standard conditions of ES Pipelines Ltd Gas Transporter's Licence, dated 1 April 2000, ES Pipelines Ltd are directed to make the above proposal (as contained in ES Pipelines Ltd Network Code Modification report ESP102 dated 15 April 2005) as a modification to the Network Code.

If you wish to discuss any aspect of this decision, please do not hesitate to contact me on the above number or Samantha McEwen on 020 7901 7032.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N Simpson', written over a vertical line.

Nick Simpson
Director, Modifications

Signed for and on behalf of the Gas and Electricity Markets Authority (Ofgem).