



Ofgem  
The Office of Gas and Electricity Markets

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25 April 2005

ESP Pipelines Ltd, Shippers and other parties.

Dear Colleague,

### **Modification Proposal ESPP 101: Housekeeping Modification**

After consideration Ofgem has decided to direct ESP Pipelines Ltd (ESPP) to implement the above modification. This letter explains the background to the modification proposal and gives Ofgem's reasons for making this decision.

#### **Background to the proposal**

ESPP seeks to review its network code annually to ensure consistency and clarity. From time to time these reviews identify minor typographical errors which require amendment.

#### **The Modification Proposal**

Modification Proposal ESPP 101 seeks to address a number of minor errors in the ESPP Network Code. In total there are seven amendments being proposed; including proposed changes to section E5.1 in the ESPP Network Code which the Proposer considers would provide ESPP with the same degree of discretion as Transco to not procure a monthly reading under certain circumstances. These circumstances are prescribed under section E of the ESPP Network Code.

The Proposer considers that the proposed amendments under Modification Proposal ESPP 101 would reduce ambiguity and disputes, and therefore would reduce the contractual risks faced by Shippers and Suppliers using ESPPs Network. In addition, the Proposer considers that the amendments would bring further clarity to certain clauses in the code, which was therefore considered to enhance the efficiency of operation of the pipeline systems.

#### **Respondents' views**

Two representations were received regarding this modification proposal, both of which expressed support for its implementation. In particular, one respondent notably supported the

alignment of IGT Network Codes with those of National Grid Transco, and considered that Modification Proposal ESPP101 would improve consistency between ESP Pipelines Ltd/ ESP Networks Ltd / ES Pipelines Ltd and Transco's Network Code.

### **Ofgem's view**

Ofgem considers that the alignment of IGT Network Codes with those of National Grid Transco, would improve consistency between the Network Codes, and facilitate competition in shipping and supply. In addition, Ofgem considers that any proposal that reduces the ambiguity and disputes is a positive step, and will enhance the efficiency of operation of the pipeline systems. Therefore, Ofgem is in favour of this modification proposal being implemented.

### **Ofgem's decision**

For the reasons set out above Ofgem has decided to direct ESPP to implement Modification Proposal ESPP101. Ofgem considers that the Modification Proposal will further the relevant objectives of the ESPP 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 ESP Pipelines Ltd Gas Transporter's Licence, dated 8 August 2000, I hereby direct ESP Pipelines Ltd that the above proposal (as contained in ESP Pipelines Ltd Network Code Modification report ESPP101 dated 15 April 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 Ndidi Njoku on 020 7901 7157.

Yours sincerely,



Nick Simpson  
Director, Modifications

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