



Our Ref: Net/Cod/iPGT12  
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25 May 2005

ESP Networks Ltd, Shippers and other parties.

Dear Colleague,

**Modification Proposal ESPN107: Disclosure of protected information.**

Ofgem has considered the issues raised in modification proposal ESPN107 and has decided to direct ESP Networks Ltd (ESPN) to implement the modification. This letter explains the background to this modification proposal and explains the reasons for our decision.

**Background to the proposal**

ESPN seeks to review the provisions of its Network Code on an annual basis in order to ensure both internal consistency and clarity and also consistency with Transco's provisions.

The provisions relating to the terms of permitted disclosure of protected information are currently almost identical across the ESPN Network Code and the Uniform Network Code (UNC). However, the most recent review identified a discrepancy in that the UNC contains one extra provision which relates specifically to the disclosure of protected information to any person proposing to make a connection either directly or indirectly to the pipeline. This modification proposal aims to address this discrepancy and bring the ESPN provisions into closer line with those adopted under the Uniform Network Code (UNC)

**The Modification Proposal**

This modification proposal seeks to define the terms and conditions under which certain protected information pertaining to the system design for the purposes of connecting to the Pipeline System may be released to interested parties.

Specifically, the proposal seeks to add a new obligation to the Network Code in order to ensure that any person seeking connection to the pipeline system that requests relevant information connected to that activity, shall undertake in writing, to only use such information for the purposes of correct design and does not release this information to any other party. This

proposal will ensure that both the ESPN Network Code and the UNC are operating under the same provisions.

### **Respondents' views**

ESPN received two responses in relation to this modification proposal. Both respondents offer support for the implementation of the proposal.

### **Ofgem's views**

Ofgem supports measures that contribute to the efficient and safe operation of the pipeline system. This modification proposal should allow those seeking connection to the pipeline system access to the necessary information to carry out such activities without undermining or damaging the confidentiality of information that could be considered market sensitive.

### **Ofgem's decision**

For the reasons outlined above Ofgem has decided to direct ESPN to implement modification proposal ESPN107. Ofgem considers that the modification proposal will further the relevant objectives of the ESPN 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 ESP Networks Ltd Gas Transporter's Licence, dated 1 April 2000, ESP Networks Ltd are directed to make the above proposal (as contained in ESP Networks Ltd Network Code Modification report ESPN107 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', with a horizontal line underneath the name.

Nick Simpson  
Director, Modifications