

The Modification Proposal

This proposal would allow pipeline users to extend the management of USRVs arising on relevant GT systems to reconciliations arising from meter readings taken on the ESP system, by enabling users to replace the most recent meter reading with an alternative reading with the same or a later date.

Respondents' Views

Two representations were received. Both gave support for the proposal, with one offering specific support for the principle of aligning IGT network codes with that of NGT and agreeing that the proposed modification would improve consistency.

ESP's View

ESP indicated its belief that the proposal will enable pipeline users to extend the management of USRVs arising on Transco's system to reconciliations arising from meter readings taken on the ESP system. ESP proposed that this will facilitate competition in shipping and supply by increasing options for management of problem reads.

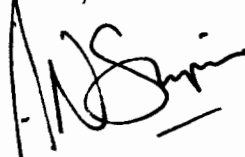
Ofgem's View

Ofgem considers that it is appropriate to extend the availability of a mechanism enabling shippers to resolve USRVs in a timely manner. As with modification 662 to Transco's network code, Ofgem notes that this functionality would be optional for pipeline users. Therefore, it will be for shippers to make a decision on whether they wish to use a read replacement facility and undertake necessary system changes to support its use.

Ofgem's Decision

Having taken all of the above into consideration it is Ofgem's decision to direct ESP to implement modification proposal 103 as we believe that it will better facilitate the relevant objectives of their Gas Transporters Licence, in particular the efficient and economic operation of its pipe-line system. In accordance with standard condition 9 of ESP's Gas Transporter's Licence, ESP are directed to make the above proposal (as contained in ESP's network code modification report ESP103 dated 15 April 2005) as a modification to the network code.

Yours sincerely

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

Nick Simpson
Director, Modifications