

Modification proposal:	Independent Gas Transporter (iGT) Uniform Network Code (UNC): 'Change Plan for Modification Process' (iGT UNC 017)		
Decision:	The Authority ¹ directs that this proposal be made		
Target audience:	Gemserv, Parties to the iGT UNC and other interested parties		
Date of publication:	1 August 2008	Implementation Date:	To be confirmed by the Representative of the iGT UNC

Background to the modification proposal

Currently the procedure for modifications to the iGT UNC has no set timing and control over when releases of modification proposals are sent to the industry for impact assessment. Recently a number of modification proposals that have been raised have been considered by the Panel as short notice business. The proposer feels that this has led to uncertainty over when to expect proposals for review, and unclear timescales for responses or the receipt of Draft Modification Reports (DMRs) and Final Modification Reports (FMRs) and at which modification Panel meeting these will be presented.

The modification proposal

This modification seeks to introduce a change plan which will create a monthly release schedule of draft and formal modification proposals. The change plan will be prepared annually by the iGT UNC Representative once the Panel meeting dates have been agreed for the coming year. It will be published on the IGT UNC website and will set out dates of proposal releases, Panel meetings and response timescales, including the publication and receipt of the DMRs and FMRs. The modification proposal does not seek to remove or change the rights of parties to raise urgent modifications that meet the urgency criteria set out by Ofgem.

Under the proposed modification each iGT Pipeline User and Operator will nominate a Change Administrator which will be notified to the iGT UNC Representative. Once a modification proposal is received by the iGT UNC Representative the proposal will be released to the Change Administrators by email and published to the iGT UNC website.

In cases where the Modification Panel send the modification to development, the timetable will be suspended for the agreed duration of the review group and will restart once the panel determines that the modification is suitable for consultation.

If there are changes to the iGT UNC Modification Rules that will influence the change timetable or changes to the published Modification Panel dates the Panel will agree and publish a new change plan.

iGT UNC Panel² recommendation

At its meeting of 18th June 2008 the iGT UNC Panel was unable to reach a majority decision on the implementation of this Modification. The Pipeline Users, who supported

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² The iGT UNC Panel is established and constituted from time to time pursuant to and in accordance with the iGT UNC Modification Rules.

the implementation of this modification, considered that it would promote efficiency in the implementation and administration of the Network Code by standardising the processes. The pipeline Operators, who did not support the implementation of the Modification, considered that it does not promote efficiency in the implementation and administration of the Network Code as it does not introduce any practices that are not currently in operation.

The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report dated 2 June 2008. The Authority has concluded that:

1. implementation of the modification proposal would further the relevant objectives as defined in Standard Condition 9 of the Gas Transporters License³; and
2. directing that the modification be made and is consistent with the Authority's principal objective and statutory duties.

Reasons for the Authority's decision

We note that four of the five respondents to the consultation supported the implementation of this proposal. The respondent who was opposed to the proposal raised concerns that mandating the requirement for a Change Administrator would not benefit all parties to the code. They pointed out that there was evidence with other codes that have Change Administrators, that the contact lists become out of date due to internal changes within companies. This could make the iGT UNC Representative's role more time-consuming and problematic. They also felt that the timetables for modification proposal are made clear to all parties and all key dates for modification proposal are available via the iGT UNC website. Another point they raised was that a Panel member could ask for the consideration of a short-notice modification proposal to be deferred for discussion at the next Panel meeting.

The proposer felt that the proposed modification would facilitate competition by clarifying the process for modifications and allowing all parties more time to consider the implications of a modification proposal. The process would be more transparent and predictable to all parties. Also, by enabling parties to target their resources more accurately they will perhaps be able to reduce their costs in considering modifications. The proposer also felt that the proposed modification would improve the administration of the iGT UNC and make it more efficient.

We note the concerns raised by the opponent to the modification proposal, however, we feel that the modification facilitates a number of the relevant objectives and will benefit all parties to the iGT UNC. The argument that the contact list may become out of date and would result in the iGT UNC Representative's role becoming more time-consuming could also be applied to having different contacts for different issues within a company. We would also presume that most Change Administrators would inform the iGT UNC Representative if there was going to be a change of contact/contact details. We feel that by giving the iGT UNC Representative just one point of contact for modification proposals would ensure that the proposal were received by all parties in an efficient and timely manner, and ensures that it is received by the person in each organisation best placed to deal with it.

³ As set out in Standard Condition 9 of the Gas Transporters Licence, see: http://epr.ofgem.gov.uk/document_fetch.php?documentid=13355

Although individual modification proposals set out their timetables we feel that it would be useful to have a timetable setting out the key dates for all modification proposals in process in an easily accessible format on the iGT UNC website. This would enable all parties to know exactly what is happening to each modification proposal and therefore plan their resources in the most efficient manner.

We note that a similar change plan has existed for some time under the Supply Point Administration Agreement (SPAA), which shares many of the same Parties as the iGT UNC. We understand that the change plan has worked reasonably well under the SPAA and consider that, given the complementary nature of these two codes, there may be benefits in them being more closely aligned, at least as far as timetables and lead times for changes are concerned. An example of the SPAA change plan can be found in Appendix 1 attached.

Therefore, for the reasons set out above, we agree with the proposer of the modification that the implementation of this proposal will better facilitate the achievement of relevant objective (d) *the securing of effective competition between relevant shippers and relevant suppliers* and (f) *the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code*.

We also feel that this modification could potentially facilitate objective (a) *the efficient and economic operation of the pipe-line system*, in that by being able to target their resources more efficiently a party may be able to reduce costs.

Decision notice

In accordance with Standard Condition 9 of the Gas Transporters Licence, the Authority, hereby directs that iGT UNC modification proposal 017: '*Change Plan for Modification Process*' be made.



Mark Feather,
Director of Industry Codes and Licensing, Corporate Affairs
Signed on behalf of the Authority and authorised for that purpose.

Appendix 1

SPAA Change Cycle Calendar for 2008/09

Last Date for Changes (D-1)	Change Pack Released (D0)	Closing Date for Comments (D+10)	Indicative Voting and Comments Issued (D+13)	SPAA Change Control Board (D+18)	Confirmation of Modified CP to SPAA (D+22)	Change Report & Formal Minutes Issued (D+23)	Appeals Close (D+33)	Provisional Forum (minimum D+42)
25/01/08	28/01/08	11/02/08	14/02/08	21/02/08	27/02/08	28/02/08	13/03/08	28/03/08
22/02/08	25/02/08* *	10/03/08	13/03/08	20/03/08	28/03/08* *	31/03/08	14/04/08	25/04/08
19/03/08	20/03/08	07/04/08	10/04/08	17/04/08	23/04/08	24/04/08	09/05/08* *	22/05/08** *
17/04/08	18/04/08	02/05/08	08/05/08**	15/05/08	21/05/08	22/05/08	06/06/08* *	19/06/08
22/05/08	23/05/08	09/06/08* *	12/06/08	19/06/08	25/06/08	26/06/08	10/07/08	23/07/08
20/06/08	23/06/08	07/07/08	10/07/08	17/07/08	23/07/08	24/07/08	07/08/08	20/08/08
25/07/08	28/07/08	11/08/08	14/08/08	21/08/08	28/08/08* *	29/08/08	12/09/08	25/09/08
21/08/08	22/08/08	08/09/08* *	11/09/08	18/09/08	24/09/08	25/09/08	09/10/08	22/10/08
19/09/08	22/09/08	06/10/08	09/10/08	16/10/08	22/10/08	23/10/08	06/11/08	19/11/08
24/10/08	27/10/08	10/11/08	13/11/08	20/11/08	26/11/08	27/11/08	11/12/08	24/12/08
21/11/08	24/11/08	08/12/08	11/12/08	18/12/08	24/12/08	29/12/08* *	13/01/09	26/01/09
16/12/08	17/12/08	05/01/09	08/01/09	15/01/09	21/01/09	22/01/09	05/02/09	18/02/09

** Dates adjusted to allow for Bank Holidays

3 SPAA and Product releases per year – up to date versions of SPAA and Products, together with agreed changes, to be maintained on SPAA website.