

## **Consultation on Proposed Changes to the Modification Rules**

As indicated at the Transco Customer Forum on 20 January, EIUG has strong views on this subject and is happy to confirm them in writing.

### Definition of Third Party Participants

We do not accept that energywatch need necessarily be the only recognised third party participant (TPPs), although they most certainly should be recognised in this respect. There may well be instances where the impact of a proposed modification on industrial and commercial customers is different to the impact on domestic consumers, where a single energywatch participant might not be able to represent the interests of both sectors. The possibility of recognising other TPPs, be they individual customers or a representative group, would be one way of getting round such a problem. In practice, we expect that few if any consumer groups would be able to resource full time participation in Network Code business, so concerns about time-wasting or frivolous raising of modifications, etc., are unlikely to be an issue.

### Scope for Proposing Modifications

In our view, TPPs should have the same modification raising powers as Network Code signatories. We are aware of no valid argument that third party participants should be restricted to raising modifications concerning the release of information. We therefore agree with Ofgem's view that TPPs should not be restricted to proposing 'immaterial changes'. All modifications - regardless of who proposes them - must satisfy the same criteria (better facilitating efficient and economic operation of the system, competition between shippers and suppliers, etc.) so it is hard to see what conceivable danger this power would pose to the legitimate interests of signatories.

As a general observation, we recall the history of vociferous objections made by those opposed to customer involvement in the governance of the electricity pool and the proposed BSC Panel. Yet - only a few years on - the BSC Panel is up and running well, and the question of customer representation and the unrestricted right to raise modifications has ceased to be regarded as controversial. We see no reason why the same should not occur in gas.