

**TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0620**  
"Publication of additional forward and option surrender of entry capacity tender information "  
Version 1.0

**Date:** 04/03/2003

**Proposed Implementation Date:**

**Urgency:** Non-Urgent

**Justification**

Modification Proposal 0588, Publication of Further Forward and Option Entry Capacity Information was implemented on 12 February 2003 and required Transco, subject to appropriate waivers being obtained from affected Users, to release information relating to capacity forward and option tenders for the period 1 April 2002 - 10 February 2003. It is however retrospective in nature and will have no effect on information provision going forward.

Whilst Modification Proposal 0587, Prospective Publication of Further Forward and Option Entry Capacity Information, implemented on 25 October 2002, requires Transco to release capacity forward and option tender information on a prospective basis, unlike Modification Proposal 0588 it does not contemplate provision of information in respect of forward and option tender offers received where Transco does not accept any such offers at a relevant ASEP/time period combination.

In order to address this, Transco agreed at the request of the NT&T workstream to raise a Modification Proposal to facilitate release of the additional forward and option capacity tender information from 11 February 2003. This Modification Proposal will provide for the provision of such information in respect of any forward and option tender processes conducted from 11 February 2003. Waiver letters similar to those required for Modification Proposal 0588 should not be needed as tender invitation notices issued after 11 February 2003 envisage such an occurrence in the confidentiality provisions.

**Nature of Proposal**

This Proposal will supplement the provisions of Modification 0587 from 11 February 2003, the additional tender information required prior to that date having been released under Modification Proposal 0588.

For completeness the full tender information requirement is included below, although much is the same as that already published under Modification 0587:

For each forward tender held where Transco receives tender offers and enters into Forward Agreement(s) in respect of an ASEP/forward delivery period combination then, Transco should publish the following information for each day of the forward delivery period for the relevant ASEP/forward delivery period combination:

the volume weighted average price of valid forward tender offers received;

the aggregate quantity of Firm System Entry Capacity for which valid forward tender offers are received;

the minimum price offered in valid forward tender offers received;

the maximum price offered in valid forward tender offers received;

the volume weighted average price of forward tender offers accepted;

the aggregate quantity of Firm System Entry Capacity surrendered pursuant to forward tender offers accepted;

the minimum price paid in respect of forward tender offers accepted; and

the maximum price paid in respect of forward tender offers accepted.

This information should be published on the Business Day following that on which Transco enters into such Forward Agreement(s).

For each forward tender held where Transco receives tender offers but does not enter into any Forward Agreement(s) in respect of an ASEP/forward delivery period combination, then Transco should publish for the relevant ASEP / forward delivery period combination:

the volume weighted average price of valid forward tender offers received;

the aggregate quantity of Firm System Entry Capacity for which valid forward tender offers are received;

the minimum price offered in valid forward tender offers received; and

the maximum price offered in valid forward tender offers received.

This information should be published within four Business Days following the last day of the tender or, for the period from 11 February to the implementation of this Modification Proposal, on the Business Day following implementation.

For each option tender held where Transco receives tender offers and enters into Option Agreement(s) in respect of an ASEP/option exercise period combination then Transco should publish the following information in respect of the relevant ASEP/option exercise period combination:

the volume weighted average of valid option strike prices received;

the aggregate quantity of Firm System Entry Capacity for which valid option tender offers are received;

the minimum of valid offered option strike prices;

the maximum valid of offered option strike prices;

the volume weighted average of accepted option strike prices;

the aggregate quantity of Firm System Entry Capacity available for surrender pursuant to option tender offers accepted;

the minimum of accepted option strike prices; and

the maximum of accepted option strike prices.

This information should be published on the Business Day following that on which Transco enters into such Option Agreement(s).

For each option tender held where Transco receives tender offers but does not enter into any Option Agreements in respect of any ASEP/option exercise period combination, then Transco should publish for the relevant ASEP/option exercise period combination:

- the volume weighted average of valid option strike prices received;
- the aggregate quantity of Firm System Entry Capacity for which valid option tender offers are received;
- the minimum of valid offered option strike prices; and
- the maximum of valid offered option strike prices.

This information should be published within four Business Days following the last day of the tender or, for the period from 11 February to the implementation of this Modification Proposal, on the Business Day following implementation.

Where Transco exercises one or more Option Agreements in respect of a Gas Day Transco should also notify Users of the volume of Firm System Entry Capacity exercised at each relevant ASEP on that Gas Day and the volume weighted average strike price of the capacity exercised at each relevant ASEP on that Gas Day. This information should be published on the next Business Day following the Gas Day associated with the exercise of such Option Agreements.

### **Purpose of Proposal**

Implementation of this Proposal will align the treatment of forward and option capacity tender information for the period 1 April 2002 - 10 February 2003 under Modification 0588, with that of information from 11 February 2003 onwards.

### **Consequence of not making this change**

Forward and option capacity tender information in respect of ASEP/time period combinations may not be released where:

valid forward and option tender offers are received for an ASEP/time period combination but Transco does not enter into any agreement for that ASEP/time period combination.

### **Area of Network Code Concerned**

Section B and Transition Document Part II Section B.

### **Proposer's Representative**

Nigel K Sisman (Transco)

### **Proposer**

Mike Calviou (Transco)

**Signature**

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