

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0387
"Application of Neutrality Charges to Storage Operators"
Version 6.0

Date: 23/02/2000

Proposed Implementation Date: 01/05/2000

Urgency: Non-Urgent

Justification

This modification to the Network Code is required to ensure consistent treatment of all Users of the system.

Nature of Proposal

Under the terms of the Network Code Storage Operators do not incur Balancing Neutrality charges and Top-up Neutrality charges if they undertake not to become a Trading Participant on the OCM. Transco proposes to modify its Network Code such that where a Storage Operator is also a User, as defined in the Network Code, it would be subject to the same Neutrality charges as any other User irrespective of whether it has undertaken not to become a Trading Participant. To ensure the Network Code treats all Users in a consistent manner this modification proposal would also remove the restriction on Storage Operators from trading on the OCM.

Purpose of Proposal

The purpose of this proposal is to ensure that Storage Operators, when they are also a User, face the same exposure to Neutrality charges and payments as any other User. This helps to facilitate the discharge of Transco's obligations under its PGT Licence within standard condition 7 (b) by ensuring non-discriminatory treatment of Users as required by standard condition 11.

Consequence of not making this change

Storage Operators which are also Users and have undertaken not to trade on the OCM, would continue to be treated in a different manner to any other User. In addition, a Storage Operator that is a User may experience benefits not on offer to a Storage Operator which is not a User.

Area of Network Code Concerned

Section F: System Clearing, Balancing Charges and Neutrality.

Section P: Top-Up Storage

Proposer's Representative

Andy Cruise (Transco)

Proposer

Tim M Davis (Transco)

Signature

.....