

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 380

SHORT TITLE: Increased availability of Monthly System Entry Capacity

DATE: 28th January 2000 **PROPOSED IMPLEMENTATION DATE:** 5th March 2000

URGENCY: Urgent

JUSTIFICATION OF URGENT STATUS:

The Network Code presently requires Transco to commence the auction of System Entry Capacity for use in April - September by 15th February *. This proposal is to increase the aggregate quantity of Monthly System Entry Capacity (MSEC) which Transco makes available and vary the methodology by which the aggregate quantity is apportioned by ASEP to ensure that MSEC is made available at all ASEPs. This would need to be implemented at the start of the next round of auctions. In order to meet this timetable urgent procedures are required.

* Modification proposal 0378 proposes to defer this auction start until 6th March 2000.

NATURE OF PROPOSAL:

Aggregate MSEC availability

This modification proposal suggests that the aggregate quantity made available as MSEC is increased by 10%. Transco will continue to calculate the "System Normal Demand" as the arithmetic mean of the demand for gas in respect of the System of each day of the calendar month. This figure will then be multiplied by 1.1 to derive the quantity to be made available.

Availability of MSEC by ASEP

This modification also proposes that the methodology set out in Section B 2.2 of the Network Code is amended to ensure that an amount of MSEC is available for purchase at all ASEPs. The process by which the amount of capacity which will be made available for auction as MSEC would be as follows.

1. An assessment of the ASEP Estimated System Entry Capacity in respect of each ASEP for each month will be calculated in accordance with the procedures of Section B 2.2.4 and then scaled up or down so that the Aggregate Estimated System Entry Capacity is equal to 1.1 times the System Normal Demand.
2. Where as a result of step 1. an ASEP is identified as having a Determined System Entry Capacity of less than x % of its Peak Flow Forecast, it will be the subject of a minimum

MSEC availability. The minimum MSEC quantity for each relevant ASEP identified will be calculated as:

$$(1.1 * \text{System Normal Demand}) * (y/100) * A$$

Where A = Peak Flow Forecast for ASEP / Sum of Peak Flow Forecasts of relevant ASEPs

3. The ASEP Estimated System Entry Capacity in respect of each ASEP for each month will then be calculated in accordance with the procedures of Section B 2.2.4 and scaled up or down so that the Aggregate Estimated System Entry Capacity is equal to:

$$(100-y)/100 * (1.1 * \text{System Normal Demand})$$

4. The Determined System Entry Capacity for each ASEP in each month will be the sum of the amounts derived under steps 2 and 3 of this process subject to any correction for maintenance in accordance with Section B 2.2.5(b), 2.2.6 (b) and 2.2.7.

It is proposed that x and y be 5 and 3 respectively.

Alternative Option

In responses to this proposal views are requested both on the proposal as it stands and on the alternative option of increasing the aggregate available MSEC by 10% but retaining the existing method of apportionment of MSEC by ASEP.

PURPOSE OF PROPOSAL:

The purpose of this proposal is to provide shippers with the opportunity to purchase a greater proportion of their System Entry Capacity needs as MSEC and reduce the amount of System Entry Capacity which shippers need to purchase as Daily System Entry Capacity (DSEC). This proposal could also ensure that Users of all ASEPs will have the opportunity to bid for some of their capacity needs as MSEC as opposed to having to rely exclusively on the purchase of daily capacity services.

CONSEQUENCE OF NOT MAKING THIS CHANGE:

The quantities of Monthly System Entry Capacity which Transco makes available for auction will remain at the level currently set. Shippers will therefore continue to buy the same proportion of their capacity needs on a daily basis.

AREA OF NETWORK CODE CONCERNED:

Section B2

IDENTITY OF PROPOSER'S REPRESENTATIVE:

Mark Ripley

PROPOSER : Tim Davis.

SIGNATURE:

POSITION: Manager, Network Code.

COMPANY: Transco

MODIFICATION PANEL SECRETARY'S USE ONLY

Reference Number:

Date Received: