

Modification Report
Modification Reference Number: 0035
Entry Allocations Close-out Date

This modification report is made pursuant to Rule 8.12 of the Modification Rules and follows the format required under Rule 8.12.4.

1. Circumstances Making This Modification Urgent

In accordance with Rule 9.2(a) Ofgas has agreed that this modification should be treated as URGENT because it timetables the extensions to the M+15 Entry Close-outs for the months of March to June. April Close-out is presently defined as Thursday 6th June 1996.

2. Procedures Followed

TransCo agreed with Ofgas (and has followed) the following procedures for this Proposal:

31st May '96 Shipper meeting agreed proposal.
3rd June '96 OFGAS agree proposal as Urgent.
5th June '96 Representations received from Shippers.
6th June '96 Modification Report to OFGAS.
6th June '96 Implementation.

3. The Modification Proposal:

It is proposed that the entry close-out timetable is as follows:

March - M + 55 (20th June 1996)
April - M + 40 (27th June 1996)
May - M + 30 (12th July 1996)
June - M + 20 (26th July 1996)
July - M + 15 (21st August 1996)

This would delay the submission of the Energy Balancing Invoices to:

March - 2nd July 1996
April - 9th July 1996
May - 24th July 1996
June - 7th August 1996
July - 3rd September 1996

This proposal supercedes the following agreed urgent modifications.

0016 - Entry Close-out Date. (March)
0024 - Entry Close-out Date. (March)
0027 - Entry Close-out Date. (April)
0029 - March Entry Allocations Close-out Date.

4. Text provided pursuant to Rule 8.14:

Network Code text is as follows:

In Part II, paragraph 8:

- (a) delete what is provided in respect of Section E1.9.1 (pursuant to Modifications 0016 and 0024) in relation to Gas Flow Days in March 1996 and (pursuant to Modification 27) in relation to Gas Flow Days in April 1996;
- (b) delete what is provided in respect of Section E1.9.2 (pursuant to Modification 0029)
- (c) insert the following:

"E1.9.1 (i) Notwithstanding Section E1.9.1, the Entry Close-out Date:

- (i) for Gas Flow Dates in March 1996 shall be 20th June 1996;
- (ii) for Gas Flow Dates in April 1996 shall be 27th June 1996;
- (iii) for Gas Flow Dates in May 1996 shall be 12th July 1996;
- (iv) for Gas Flow Dates in June 1996 shall be 26th July 1996;
- (v) for Gas Flow Dates in July 1996 shall be 21st August 1996."

In Part III delete what is provided in respect of Section S1.4.2 (pursuant to Modifications 16, 17, 24 and 27) after the words "Balancing Invoice: 23rd" replace with the following:

"provided that the expected date for submission of:

- (i) the Balancing Invoice in respect of March 1996 shall be 2nd July 1996;
- (ii) the Reconciliation Invoice in respect of the Reconciliation Billing Period commencing in March 1996 shall be 7th May 1996;
- (iii) the Balancing Invoice in respect of April 1996 shall be 9th July 1996;
- (iv) the Balancing Invoice in respect of May 1996 shall be 24th July 1996;
- (v) the Balancing Invoice in respect of June 1996 shall be 7th August 1996;
- (vi) the Balancing Invoice in respect of July 1996 shall be 3rd September 1996.

This proviso shall not be deemed to be a change or delay for the purposes of Sections S1.4.2, S1.4.3 or S4.2.6."

5. TransCo's opinion:

The extension of the Close-out periods from March to June will allow sufficient time for the processes to be better established in recognition of the implementation issues surrounding this new industry process. This proposal outlines a phased timetable to achieve the Close-out process as specified in the Network Code.

6. Extent to which the modification would better facilitate the relevant objectives;

The Energy Balancing Invoice uses input and output data in the calculation of a shipper's imbalance. At the Network Code Update Meeting of 31st May shipper representatives agreed that due to errors and inaccuracies regarding input data, these should be revisited (through extension of Entry Close-out as specified above).

7. The implications for TransCo of implementing the Modification Proposal, including:

a) implications for the operation of System and any BG Storage Facility;

None

b) development and capital cost and operating cost implications

None

c) extent to which it is appropriate for TransCo to recover the costs, and proposal for the most appropriate way for TransCo to recover the costs;

It is not TransCo's intention to recover any costs incurred with respect to this modification.

d) analysis of the consequences (if any) this proposal would have on price regulation;

TransCo is not aware of any impacts on Price Regulation.

8. The consequence of implementing the Modification Proposal on the level of contractual risk to TransCo under the Network Code as modified by the Modification Proposal;

The proposal delays submission of balancing invoices and subsequent payments.

9. The development implications and other implications for computer systems of TransCo and related computer systems of Relevant Shippers;

None

10. The implications of implementing the modification for Relevant Shippers.

The modification will allow correction to errors in March entry allocations, and by extending Entry Close-outs for April to June, establish a timetable to ensure no further extensions to the M+15 Close-out.

11. The implications of implementing of the modification for terminal operators, suppliers, producers and, any Non-Network Code Party;

The Modification provides more time for the Claims Validation Agents to process Entry data for the months of March to June 1996.

12. Consequences on the legislative and regulatory obligations and contractual relationships of TransCo and each Relevant Shipper and Non-Network Code Party (if any), of the implementation of the Modification Proposal;

TransCo has not been informed of any consequences of the legislative and regulatory obligations and contractual relationships of implementing this proposed modification.

13. Analysis of any advantages or disadvantages of the implementation of the Modification Proposal;

This modification will allow for corrections to inaccuracies in input measurements and inaccuracies in base quality data for March. It also timetables the Entry Close-out for April to June allowing more time for the Claims Validation Agents to run and finalise the allocation processes.

14. Summary of the representations (to the extent that the importance of those representations are not reflected elsewhere in the modification report;

Representations were received from four shippers. Three expressed support for this Modification, with Quadrant requesting confirmation of the Claims Validation Agent's ability to meet the revised dates. Yorkshire Electricity do not support the modification because of the possibility of additional costs on Shippers by reopening March allocations. They also propose an Entry Close-out of M+20 for all months after and including May 1996.

15. The extent to which the implementation is required to enable TransCo to facilitate compliance with safety or other legislation;

The modification is not required to facilitate compliance with safety or other legislation.

16. Having regard to any proposed change in the methodology established under Standard Condition 3(5) or the statement; furnished by TransCo under Standard Condition 3(1) of the Licence;

The proposed modification is not required to comply with the above clause.

17. Programme of works required as a consequence of the implementation of the Modification Proposal;

Not applicable.

18. Proposed implementation timetable:

The proposal extends the Entry Close-out dates and changes the submission of the Energy Balancing Invoices to the following dates:

	Close-out	Submission of EB Invoice
March	20th June 1996	2nd July 1996
April	27th June 1996	9th July 1996
May	12th July 1996	24th July 1996
June	26th July 1996	7th August 1996

This proposal becomes operational on 6th April 1996.

19. Recommendation for the implementation of the modification:

TransCo recommends that the procedures outlined in the current proposal are implemented.

20. Restrictive Trade Practices Act

If implemented this proposal will constitute an amendment to the Network Code. Accordingly the proposal is subject to the Suspense Clause set out in the attached Annex.

21. TransCo Proposal

This Modification Report contains TransCo's proposal to modify the Network Code which TransCo has already received a direction from the Director General to make in accordance with this report.

Signed for and on behalf of British Gas TransCo.

Signature:



Date: 05/06/96

Name: Chris Train

Position: Energy Balancing Manager

Director General of Gas Supply Response

In accordance with Condition 7 (10) (b) of the Standard Conditions of Public Gas Transporters' Licences dated 21st February 1996 I hereby direct British Gas TransCo that the above proposal be made as a modification to the Network Code.

Signed for and on behalf of the Director General of Gas Supply.

Signature:

Date:

Name:

Position:

Director General of Gas Supply Response

In accordance with Condition 7 (10) (b) of the Standard Conditions of Public Gas Transporters' Licences dated 21st February 1996 I hereby direct British Gas TransCo that the above proposal be made as a modification to the Network Code.

Signed for and on behalf of the Director General of Gas Supply.

Signature: *Clare Spenswoode*

Date: 6/6/96

Name: CLARE SPENSWOOD

Position: DIRECTOR GENERAL OF GAS SUPPLY