

MODIFICATION PROPOSAL: 0082

SHORT TITLE: VLDMC Shipper Renominations - Removal of the Hour-Bar

DATE: 25th September 1996

PROPOSED IMPLEMENTATION DATE: 1st December 1996

JUSTIFICATION:

VLDMC supply points are recognised under the Network Code for their unique nature with respect to size and unpredictability of demand. Their importance is reflected by the need for regular information on site demands through the provision of Offtake Profiles from Shippers/End-Users and the requirement for on-site telemetry. The receipt of untimely and inaccurate information at TransCo System Control could have major impacts on system balancing and Shipper costs under the Network Code.

Concern has been expressed about the current renomination rules when applied to VLDMC Shippers. There is particular concern about the timeliness of accurate renominations which may not be possible at times of sudden and unexpected trips and during periods of commissioning where gas usage is less predictable. For VLDMC sites with variable loads, shippers are reliant on information provided by the end user to evaluate the load for a given day. This information enables a Shipper to make an initial nomination and to make subsequent renominations to correspond to changes in gas flow. This information is then used by TransCo to help evaluate system performance and trigger balancing actions if necessary.

It has been recognised in the Renominations Review Group (0046) that in the long term VLDMC renominations rules should be closely aligned with the Offtake Profile information provided through the NEXA's. TransCo has agreed to evaluate a systematised approach based on this principle and report back to the Group. However in the short term there is a need to recognise the requirements for timely and accurate information flow to TransCo to ensure system balancing decisions are not compromised and VLDMC Shippers are not impacted by significant Network Code charges.

CONSEQUENCE OF NOT MAKING THIS CHANGE:

Unpredictable demand at Power Stations especially during commissioning can give rise to renomination difficulties under the Network Code. This could result in the provision of inaccurate information to AT-LINK potentially impacting on TransCo system balancing decisions and resulting in the exposure of all Shippers to balancing costs.

AREA OF NETWORK CODE CONCERNED:

Principle Document, Section C

NATURE OF PROPOSAL:

Under the Network Code, renominations take effect on the hour with a 1 hour notice of change. If the End-User information is not timely there could potentially be an impact on system balancing decisions and Shipper charges under the Energy Balancing regime.

Under this proposal the Hour-Bar Rule at Offtake for VLDMC Shippers would be removed, thus allowing for a renomination of gas flow on AT-LINK to be effective from the next hour which will help to accommodate the timely provision of changes to the gas flow information to TransCo in line with correct system balancing decisions. Renomination rules at Input will not be affected by this proposal.

This proposal will also help protect VLDMC Shippers from Network Code charges arising from late renomination of gas flow whilst encouraging Shippers to strengthen links with the End-Users for the provision of accurate and timely information.

In the longer term, there is a need to consider the legal and system implications associated with the development of an option which utilises Offtake Profiles to systematically drive VLDMC renominations. TransCo are currently provided with Offtake Profile Notifications under Local Operating Procedures (LOPs). This information is updated in accordance with the applicable notice periods when changes in offtake are expected and enables TransCo to prepare for the operational actions which may be necessary as a result. This longer term option would offer the flexibility required for VLDMC Shippers whilst retaining the disciplines to renominate under the Network Code.

PURPOSE OF PROPOSAL:

To address concerns with regard to the timeliness and accuracy of information flow to TransCo from VLDMC Shippers whose Power Station demands are unpredictable.

IDENTITY OF PROPOSER'S REPRESENTATIVE: C. TRAIN

PROPOSER : *AT* CHRIS TRAIN
SIGNATURE : *G. Best*
POSITION : ENERGY BALANCING MANAGER
COMPANY : TRANSCO

MODIFICATION PANEL SECRETARY'S USE ONLY

Reference Number: 0082
Date Received: 25/09/96