

MODIFICATION PROPOSAL: 0088

SHORT TITLE: Daily Nominations - Prospective Use of Default Zero Nominations

DATE: 4th October 1996

PROPOSED IMPLEMENTATION DATE: 1st April 1997

JUSTIFICATION:

Under the Network Code, Shippers are required to make daily nominations for expected gas flows at Input and Exit. Failure to nominate would result in the application of Unauthorised Gas Flow charges for allocated or measured gas flow.

Urgent Modification Proposal 0069, Daily Nominations - Default to Zero Nominations, proposed that AT-Link system modifications should be put in place to ensure that zero figures are generated by default. Following representations on this proposal, Ofgas considered that this issue, along with the retrospective recalculation of charges for Unauthorised Gas Flow (0070) should be addressed within a Review Group (0075).

Following discussions by the Review Group, it was agreed to recommend the modification of AT-Link to produce zero nominations by default. This change should be implemented in conjunction with a change to the charging structure associated with Scheduling Tolerances at output. This would improve the incentives for Shippers to nominate accurately. This would also protect against any consequential impacts on NDM forecasts due to inaccurate DM nominations compared with allocations, thus minimizing forecast deviation and gas sold to the system. UK-Link functionality would be provided as part of the Release 3 schedule for 1st April 1997.

CONSEQUENCES OF NOT MAKING THIS CHANGE

Shippers manually input zero nominations on UK-Link to avoid the consequences of Unauthorised Gas Flows. Incentives to nominate accurately at output remain the same rather than being improved.

AREA OF NETWORK CODE CONCERNED:

Principal Document Section E4

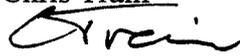
NATURE OF PROPOSAL:

To modify AT-Link to provide zero input and Daily Metered sites output nominations by default. In order to improve Network Code incentives to nominate in accordance with expected gas flow, the structure of Daily Metered output Scheduling Charges should be amended to include a higher rate band of 50% charged at 20% of SAP.

PURPOSE OF PROPOSAL:

To ensure that the incentives for accurate nominations are in place.

IDENTITY OF PROPOSER'S REPRESENTATIVE: Chris Train

PROPOSER : Chris Train
SIGNATURE : 
POSITION : Energy Balancing Manager
COMPANY : TransCo

MODIFICATION PANEL SECRETARY'S USE ONLY

Reference Number: 0088

Date Received