

MODIFICATION PROPOSAL: 0087

SHORT TITLE: Daily Nominations - Retrospective Recalculation of Charges associated with Gas Flow.

DATE: 4th October 1996

PROPOSED IMPLEMENTATION DATE: 24th October 1996

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 0070, Daily Nominations - Retroactive Recalculation of Energy Balancing Invoices (March - August) proposed that all Energy Balancing invoices should be recalculated to eliminate inappropriate application of Unauthorised Gas Flow charges attributed directly to inaccuracies in Shipper portfolios.

Following representations on this proposal, Ofgas in their response dated 5th September 1996 considered that the a Review Group should be formed to address these issues and other prospective issues detailed under Modification Proposal 0069. There was particular concern that Modification Proposal 0070 could not be implemented as worded, since it would be impossible to identify those supply points affected by portfolio inaccuracies. Opinion was divided within the Group over the best way forward with some expressing a preference for resolution of any queries associated with Unauthorised Gas Flow through the Network Code disputes procedure. Others made reference to the scale and complexity of resolving disputes individually. Most favoured the recalculation of all charges associated with Unauthorised Gas Flow charges incurred during the period April - August 1996.

CONSEQUENCES OF NOT MAKING THIS CHANGE

Shippers may have experienced significant charges for Unauthorised Gas Flow Exit gas flows due to portfolio inaccuracies and changes, and for Entry where a nomination was submitted at a different sub-terminal to allocation. Modification 0064 addresses inputs for April and May where there was a valid nomination at a different sub-terminal within the terminal.

AREA OF NETWORK CODE CONCERNED:

Network Code Supplement
Energy Balancing Credit Management

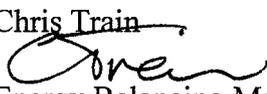
NATURE OF PROPOSAL:

To recalculate clearing charges associated with Unauthorised Gas Flow for the period April to August inclusive at the end of month SAP instead of SMP. This retrospective adjustment would apply to Entry and Exit Unauthorised Gas Flows but would not reopen Shippers' energy balances. Costs and receipts would be recovered through balancing neutrality in the month the recalculation is made.

PURPOSE OF PROPOSAL:

To recalculate the charges associated with Unauthorised Gas Flow for the period April - August 1996.

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: 0087

Date Received