

**Modification Proposal 0101: Balancing Margins Flexibility Bids**

Ofgas has accepted this modification.

The operational guidelines say that Balancing Margins gas should be placed on the flexibility mechanism at the highest Top Up price and Balancing Margins gas was booked on this basis.

TransCo's analysis of Top Up requirements assumed the use of Balancing Margins gas to make up the difference between beach deliverabilities and theoretical maximum beach. It was therefore assumed that Balancing Margins gas would be available to the system on a peak day to support firm customers. This modification provides a mechanism for Balancing Margins to be used in this way.

If this modification was not made there is a risk that Balancing Margins gas would not be fully used for the purposes they were booked for and security of supply would be reduced.