

URGENT MODIFICATION PROPOSAL. 0120

Amendment to Unauthorised Flow Modification 0075

Date : 30 January 1997

Proposed Implementation Date : Immediately

Urgency : Urgent

Justification : The modification will enable Modification 0075 to have the intended effect of adjusting shipper's neutrality payments to the level they would have been had there been no inappropriately applied unauthorised gas flow charges.

Consequence of not making this change : Those shippers with a varying monthly percentage throughput will pay a different proportion of neutrality costs arising from the adjustment, than the credit they received from UGF neutrality.

Area of Network Code Concerned : Transition Document Part II para 8, E4.2.2(3) (b)

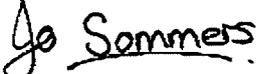
Nature of Proposal : Modification 0075 enabled the retrospective recalculation of UGF charges for the period 1 April to 31 August 96. The accepted text, in line with other modifications, allows for any adjustments to neutrality costs to be made in respect of the month in which the adjustments are determined by TransCo. Since the intention of the modification was to effectively adjust shippers positions to where they would have been had UGF charges not been inappropriately applied, any adjustment should also be made on this basis. It is therefore proposed that any neutrality adjustments be based on throughput during the invoice month to which they relate, rather than based on throughput in the adjustment month.

Purpose of Proposal : To ensure each shipper is kept "whole" with respect to the calculation of Unauthorised Flow Charges Retrospective Adjustments agreed under Modification 0075.

Proposed Text : Transition Document Part II para 8,

E 4.2.2(3) (b) amounts paid by or to TransCo pursuant to such adjustments will be additional Monthly Adjustment Neutrality Costs or (as the case may be) additional Monthly Adjustment Neutrality Revenues in respect of the month in which such adjustments relate.

Proposer : Jo Sommers

Signature : 

Position : Trading/Flexibility Analyst

Company : British Gas Trading Ltd