

MODIFICATION PROPOSAL 207A

SHORT TITLE: AUCTION UNNECESSARY TOP-UP GAS

DATE: 16/1/98 PROPOSED IMPLEMENTATION DATE: ASAP

URGENCY: URGENT.

JUSTIFICATION:

Transco accepts that the Top-Up Manager should be in a position to sell off surplus Top-Up gas so as to take advantage of winter prices. Any method of selling the gas for winter use is likely to achieve a better price than waiting for the summer.

CONSEQUENCE OF NOT MAKING THIS CHANGE:

Top-Up costs for the community may be higher than necessary.

AREA OF NETWORK CODE CONCERNED:

Sections K4.4 and P

NATURE OF PROPOSAL:

The Top-Up Manager will assess total storage stocks against the storage monitor and determine if there is surplus storage held in the Top-Up account. This assessment will take into account the need to maintain sufficient stocks to ensure that 1 in 20 peak day deliverability requirements can be met as well as 1 in 50 severe duration.

Having determined the surplus the Top-Up Manager will dispose of the gas by the following means:

- a) sell surplus gas delivered at the NBP via tender
- b) sell surplus gas in store via tender
- c) sell gas via both of a) and b)

The assessments will be carried out at the end of January, February and March and three separate tenders will be performed.

Such an approach would be likely to result in the Top-Up Manager achieving a better price for the gas than waiting for a Q2 98 disposal.

PURPOSE OF PROPOSAL:

To reduce smeared costs for the shipping community whilst minimising any adverse effects to the regime.

IDENTITY OF PROPOSER'S REPRESENTATIVE: Richard Robinson/Phil Carter

PROPOSER: John Lockett

SIGNATURE:

POSITION: Manager, Network Code

COMPANY: Transco

MODIFICATION PANEL SECRETARY'S USE ONLY

Reference Number: 0207a

Date Received: 16/1/98