

## URGENT MODIFICATION PROPOSAL

**SHORT TITLE:** Revision to Top-up Manager Rules relating to Review and Recalculation of Top-up requirements following Initial calculation.

**DATE:** 28th January 1998

**PROPOSED IMPLEMENTATION DATE:** 1st May 1997

**URGENCY:** Urgent

**JUSTIFICATION:** The current Network Code provisions for the revision to top-up requirements as interpreted by Transco and BG Storage (letter from N Shaw dated 16th January refers), mean that BG plc gain from the overstatement of Top-up requirements at the expense of NWC Shippers who do not gain the full rebate benefits of any downward recalculation of volumes required.

**CONSEQUENCE OF NOT MAKING THIS CHANGE:** In Storage Year 1997/8 Shippers will incur an additional £11.7m of costs that they need not otherwise have borne. In future years, BG plc have an incentive to overestimate initial volumes required to generate income for BG Storage.

**AREA OF NETWORK CODE CONCERNED:** Section P

**NATURE OF PROPOSAL:** When the Top-up Manager recalculates Top-up requirements in accordance with the provisions of the Network Code, as well as the credits deriving from the sale of surplus gas, there should be a full repayment of Storage Costs associated with the volume relinquished.

The Top-up Manager should be required at the beginning of each Storage Year to delay bookings of storage to the latest practicable dates consistent with achieving the requirements for gas in store by injection and/or purchase.

**PURPOSE OF PROPOSAL:** To protect Shippers from inappropriate charges.

**PROPOSED TEXT:** to follow

**IDENTITY OF PROPOSER'S REPRESENTATIVE:**

**PROPOSER:** Simon Goldring  
**POSITION:** Gas Transportation Manager  
**COMPANY:** British Gas Trading Limited

**Received:** 28/1/98

**Reference:** 0210