

Draft Modification Report
Modification Reference Number 0211

'Reduce restrictions on the dates on which a Supply Type change may become effective'.

This draft Modification Report is made pursuant to Rule 8.12 (a) of the Modification Rules and follows the format required under Rule 8.12.4.

1. The Modification Proposal:

Currently Shippers are constrained to changing the Supply Type (firm/interruptible) of a Supply Point should they wish to do so on either the 1st of October or the anniversary date of the last change in status of the Supply Point provided such a change is not within 12 months of a previous change in status.

The constraint of limiting change in status to such rigid dates is not felt to be of benefit to the industry or End Customers.

The Modification proposes that the constraint of limiting the dates on which the Supply Point status may be changed, on the 1st of October or the anniversary date of the last status change, be removed. It is, however, still intended to maintain the 12 month rule.

The implementation of this change is unlikely to impact on exposure to Top-up costs. The net effect of the interruptible to firm switching in the period May 1996 to December 1997 is essentially negligible particularly when compared with overall system demand. For example, the relatively large switch identified in September 1997 was 4 GWh/d. A change of this magnitude would be unlikely to initiate a revision to the Top-up calculations as this demand represents less than 1/100th of peak day demand as used in the last calculation of Top-up at 4676 GWh/d.

2. Transco's opinion:

Transco have raised this Modification following work carried out by Network Code Review Group 0173 'Review of Data Rationalisation' and are supportive of its objectives.

3. Extent to which the proposed modification would better facilitate the relevant objectives:

The Modification provide Shippers with a greater flexibility in terms of the dates on which they may change the Supply Type of their Supply Points thereby giving them greater opportunity to meet the requirements of their customers.

4. **The implications for Transco of implementing the Modification Proposal, including:**
- a) **implications for the operation of the System and any BG Storage Facility:**
None identified
 - b) **development and capital cost and operating cost implications:**
None identified
 - c) **extent to which it is appropriate for Transco to recover the costs, and proposal for the most appropriate way for Transco to recover the costs:**
Not applicable
 - d) **analysis of the consequences (if any) this proposal would have on price regulation:**
None identified
5. **The consequence of implementing the Modification Proposal on the level of contractual risk to Transco under the Network Code as modified by the Modification Proposal:**
None identified
6. **The development implications and other implications for computer systems of Transco and related computer systems of Relevant Shippers:**
None identified
7. **The implications of implementing the Modification Proposal for Relevant Shippers:**

Shippers will not be constrained to specific dates for changing Supply Type (other than the established minimum 12 month period).
8. **The implications of implementing the Modification Proposal for terminal operators, suppliers, producers and, any Non-Network Code Party:**

Non identified.
9. **Consequences on the legislative and regulatory obligations and contractual relationships of Transco and each Relevant Shipper and Non-Network Code Party of implementing the Modification Proposal:**

This change will constitute a modification to the Network Code.

10. **Analysis of any advantages or disadvantages of implementation of the Modification Proposal:**

Advantages

The Modification enables Shippers to reduce their exposure to risk of interruption or increased transportation charges than would otherwise be the case.

Disadvantages

None identified

11. **Summary of the Representations (to the extent that the import of those representations are not reflected elsewhere in the Modification Report):**

Not applicable

12. **The extent to which the implementation is required to enable Transco to facilitate compliance with safety or other legislation:**

Not applicable

13. **The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 3(5) of the statement; furnished by Transco under Standard Condition 3(1) of the Licence:**

Not applicable

14. **Programme of works required as a consequence of implementing the Modification Proposal:**

None required

15. **Proposed implementation timetable (inc timetable for any necessary information systems changes):**

Draft Modification Report circulated to Modification Panel members, Shippers and Non-Network Code parties seeking representations.

Close out for representations.

Modification Report to Ofgas

Ofgas Direction for Implementation of Modification

Modification implemented and effective

10 March 1998

17.00 9 April 1998

16 April 1998

21 April 1998

22 April 1998

16. Recommendation concerning the implementation of the Modification Proposal:

Transco recommend that this modification is implemented in accordance with the timescales in section (15).

17. Text provided pursuant to Rule 8.14:

Principal Document Section G, para 6.1.4


Delete paragraph 6.1.4(c)(ii)(2)

Representations are now sought in respect of this Draft Report and prior to Transco finalising the Modification Report.

Signed for and on behalf of Transco.

Signature:



 **John Lockett**
Manager, Network Code

Date: 10 March 1998