

98/05/01/07



01 May 1998

Richard Gray  
Transco  
By Fax only

Direct Dial: 0171-932-1655  
Our Ref. : SD/Mod 139  
Your Ref. :

Dear Richard

**Modification 211: Reduce restrictions on the dates on which a supply type change may become effective**

I am writing concerning the revised Final Modification Report for proposal 0211 received in our offices on 27 April 1998. This letter is to confirm that we accept the Modification.

I was disappointed that the modification report did not originally address in an acceptable manner section 3 of the report: Extent to which the proposed modification would better facilitate the relevant objectives. We can only accept modification reports that clearly explain how the proposal better facilitates one of the relevant objectives outlined in Transco's Public Gas Transporters licence. Please ensure that all future modification reports sent to Ofgas clearly address the relevant objectives.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "SRD", with a long horizontal line extending to the right.

Shaun Day  
Economic Adviser  
Transportation Pricing



## Modification proposal 211 Decision

### Reduced restrictions on the dates on which a Supply type change may become effective

1 May 1998

#### **Present position**

Shippers can only change the status of a supply point between firm and interruptible on 1st October or the anniversary date of the last change in status of the supply point, provided that this change is not within 12 months of a previous change in status.

#### **Proposal**

Modification proposal 211 seeks to remove the constraint of limiting the dates on which the supply point status may be changed. However, a change will still only be able to occur once in a 12 month period.

#### **Decision**

Modification 211 has been accepted by Ofgas. It was brought forward by Transco as current constraints do not necessarily reflect the requirements of shippers or their customers.

Concern was expressed in the consultation process that this modification may have an impact on Top-Up<sup>1</sup>; that is Transco may need to revise its Top-Up calculations (and cause extra cost to shippers) if significant switching from interruptible to firm transportation arrangements occurred. Ofgas is satisfied that this modification would not lead to a significant need for Transco to revise Top-Up.

#### **Possible impact on customers**

Customer requirements may be met with more ease if they have greater flexibility in changing the status of their supply points. Without this modification, transfer delays due to date restrictions may lead to longer periods of risk of interruption or increased transportation charges than would otherwise occur.

#### **Contacts**

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<sup>1</sup> Top-Up is gas placed in storage by Transco to enhance security of supply.