

MODIFICATION PROPOSAL

SHORT TITLE: Charge for Provision of Estimates for Opening Meter Reads - Extension of Domestic Market Interim Solution Provisions

DATE: 23 January 1998 **PROPOSED IMPLEMENTATION DATE:** 9 February 1998

URGENCY: Urgent

JUSTIFICATION:

Modification 0171 'DCIII Tranche 1 - The Interim Solution', later amended by Modification 0185 'Interim Solution - Performance Standards for Opening Reads', established that Transco may charge for the provision of an estimate when shippers failed to meet their opening read obligations for supply points transferring in tranche 1 of the domestic market.

The Interim Solution 'Transitional Period' established by Modification 0171 and amended by Modification 0195 'DCIII Interim Solution - Amendments to Facilitate the 'Catch Up' Process' expires at 06.00 hours on 9 February 1998.

Transco propose to manually generate estimated reads where an opening read is not supplied at the end of D+9 for transfers up to and including a supply point registration date of 17 February 1998.

It is therefore proposed to extend the terms of Modification 0185 to ensure that charging for the provision of manually produced estimated reads by Transco for supply point transfers within tranche 1 of domestic competition is possible. This will be effective up to and including a registration date of 17 February 1998. Confirmations with an effective date after 17 February 1998 will be subject to the terms of a separate Modification Proposal which is explained as follows:

For a supply point registration date on or after 18 February 1998, Transco's systems will automatically generate an estimated read at D+10 where an opening read is not received at D+7. Transco are preparing a further Urgent Modification Proposal, which will apply to the full domestic market, to facilitate the terms of Pricing Consultation paper PC21. This presents Transco's proposals for a charge for domestic opening read estimates which are generated by the UK Link system.

CONSEQUENCE OF NOT MAKING THIS CHANGE:

It will not be possible for Transco to continue to levy charges for manually providing estimated opening reads in respect of domestic (<73,200kWh) customer transfers for the Scottish & Northern tranche under the conditions established in Modifications 0171 and 0185, resulting

from supply point transfers up to and including a supply point registration date of 17 February 1998.

AREA OF NETWORK CODE CONCERNED:

Transition Document, Part VI para 3.1

NATURE OF PROPOSAL:

Modification 0171 'DCIII Tranche 1 - The Interim Solution', later amended by Modification 0185 'Interim Solution - Performance Standards for Opening Reads' established that if an opening meter read is not provided to Transco by ten days after a supply point transfer, the confirming shipper will pay to Transco a charge, as set out in the Transportation Statement. Transco will provide, where possible, an estimated meter reading to the proposing and withdrawing shipper. The charge will only be applied where Transco provide an estimated read.

The above charge is applied to the extent that those actual opening reads received by Transco by the end of D+9 fall below a target performance level of 90%. This is measured on a monthly basis or part thereof.

The criterion for judging whether the 90% target has been achieved is the existence of an actual meter read on the Sites and Meters database and not dispatch of a read by a shipper (the target relates to validated reads). However, Transco does not charge for providing an estimate when a Shipper fails to deliver an opening meter read if this failure is due to a Transco system failure.

Prepayment meters are excluded from the performance measure and the charge.

It is proposed to extend the period of the applicability of the above to include manually generated estimated reads arising from transfers of ownership for a supply point registration date up to and including 17 February 1998.

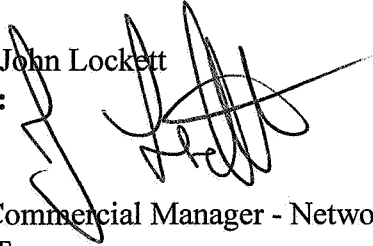
PURPOSE OF PROPOSAL:

The Modification is designed to extend the period of applicability of the provisions of Modification 0171 'DCIII Tranche 1 - The Interim Solution' and Modification 0185 'Interim Solution - Performance Standards for Opening Reads' with respect to charging for the manual generation of estimated reads. The Modification will provide continuity of charging in the period between the expiry of the provisions of the Interim Solution Modifications 0171 (as amended by 0195), 0185 and Transco's proposals for applying a revised charge as identified in Transco's Pricing Consultation document PC21 (subject to a separate Modification Proposal). The Modification will not discourage shippers from participating in the domestic market.

IDENTITY OF PROPOSER'S REPRESENTATIVE: Sharon McLaughlin

PROPOSER: John Lockett

SIGNATURE:

A handwritten signature in black ink, appearing to read 'John Lockett', written over the 'SIGNATURE:' label.

POSITION: Commercial Manager - Network Code

COMPANY: Transco

MODIFICATION PANEL SECRETARY'S USE ONLY

Reference Number:0212

Date Received: 28th January 1998