

URGENT NETWORK CODE MODIFICATION PROPOSAL

SHORT TITLE: Proposal to Cap Net Ad Hoc Debit Invoicing by Transco

DATE: 24th July 1998

PROPOSED IMPLEMENTATION DATE : As soon as possible

URGENCY: Urgent due to increasing levels of unpredictable Ad Hoc invoicing being levied upon Shippers

JUSTIFICATION:

Over recent months Transco have been raising large numbers of Ad Hoc Invoices in addition to the normal suite of invoices under Network Code. This has resulted in significant and unpredictable Net Debits to Shippers.

It is believed to be reasonable that Shippers should have a clear indication as to the value of invoicing they can expect to receive in any one month from Transco to permit orderly accounting practices.

In respect of the normal suite of invoices Shippers can make an informed decision as to the monthly provisions they need to make. With respect to the current levels of Ad Hoc Invoicing, Shippers cannot predict in any way the invoicing they expect to receive.

In addition to the above, given the levels of Ad Hoc invoicing, it is not possible to plan workloads to enable proper validation of invoices prior to payment.

CONSEQUENCE OF NOT MAKING THIS CHANGE:

Shippers continue to be unable to plan workloads or accounting provisions for payment demands from Transco.

AREA OF NETWORK CODE CONCERNED:

Section S

NATURE OF PROPOSAL:

- 1) The level of net debit Ad Hoc Invoicing should be capped at [7.5%] of the affected Shipper's total standard invoicing by value for the preceding month. (Invoices included in the Standard Suite are considered to be the Energy Balancing Invoice, NTS and LDZ Capacity, Commodity and Reconciliation)

- 2) In respect of the cap proposed in (1) above, we would suggest that certain types of Ad Hoc invoice commonly in use should be excluded from the cap, for example, Compression Invoices, Allocation Agreements, Storage Invoices and Unique Sites. Each exclusion to be clearly defined.
- 3) All Ad Hoc Invoices should carry a 28 day payment period to allow for proper validation of invoices in advance of payment by Shippers.
- 4) Transco to issue schedules at the start of each month of the areas in which they intend to raise Ad Hoc Invoices during that month.

PURPOSE OF PROPOSAL:

To enable Shippers to plan workloads and maintain robust accounting practices.

PROPOSED TEXT :

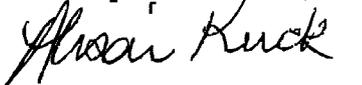
To be provided by Transco

IDENTITY OF PROPOSER'S REPRESENTATIVE:

Company: Eastern Power and Energy Trading

Name: Alison Kuck

Position: Transportation Manager

Signature: 

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