

Draft Modification Report
Modification Reference Number 256

This draft Modification Report is made pursuant to Rule 7.4 (a) of the Modification Rules and follows the format required under Rule 8.12.4.

1. The Modification Proposal:

This modification proposal will increase the number of 'mod 169' trades allowed from 6 to 12 per shipper. At the same time this proposal will reduce the administrative burden upon shippers associated with these trades by allowing notification of these trades by telephone, with Transco reserving the right to ask for a faxed confirmation where it deems this necessary.

2. Transco's opinion:

Transco recommends the implementation of this proposal at the earliest opportunity to allow an increase in the number of trades and reduce administration.

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

This modification better facilitates 7(c) securing effective competition between relevant shippers and between relevant suppliers by providing more opportunities to undertake shipper-shipper trades.

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

b) development and capital cost and operating cost implications:

None

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

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

6. **The development implications and other implications for computer systems of Transco and related computer systems of Relevant Shippers:**

None, this is a manual activity.

7. **The implications of implementing the Modification Proposal for Relevant Shippers:**

This proposal will allow a higher volume of mod 169 trades, and reduce the administrative burden associated with those trades.

8. **The implications of implementing the Modification Proposal for terminal operators, suppliers, producers and, any Non-Network Code Party:**

None

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:**

None

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

Advantages:

This proposal will reduce the administration requirements associated with mod 169 trades and allow more trades to be carried out thus contributing to the liquidity of that market. The proposal will also reduce the administrative burden associated with these trades.

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

Transco Response:

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

Not relevant

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.

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

Implementation 1 October 1998

16. **Recommendation concerning the implementation of the Modification Proposal:**

Transco recommends implementation of this proposal

17. **Text provided pursuant to Rule 7.3:**

Principle document section C

Amend paragraph 5.4.8.b.

" the Primary User verbally provides to Transco, not later than the time at which the Primary Nomination(s) are submitted, a notification identifying (in such manner as Transco may reasonably require) the relevant Primary Renomination(s), Matching Renomination(s), including any made by the Primary User). Acquiring Trade Nomination(s) and Disposing Trade Nomination(s) (further references to which in paragraph 5.4.8. and paragraphs 5.4.9. and 5.4.10. are those so identified by the Primary User). Provided Always that Transco may at any time require a Primary User to confirm such verbal notification by facsimile; "

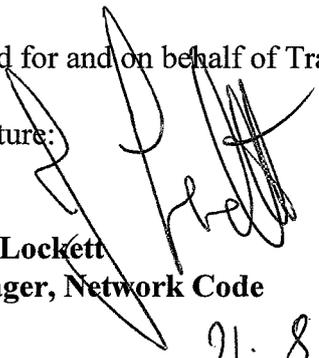
Amend paragraph 5.4.8.d

" a User may not on any Day make more than 12 Trade Nominations as Primary User. "

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

Signed for and on behalf of Transco.

Signature:


John Lockett
Manager, Network Code

Date:

21. 8. 98