

MODIFICATION PROPOSAL 0259

SHORT TITLE: CLOSE OUT OF RECONCILED GAS

DATE: 14 August 1998

PROPOSED IMPLEMENTATION DATE: 2 November 1998

URGENCY: Non Urgent

JUSTIFICATION:

This modification seeks to close out Shippers reconciled gas position at meter point level in aggregate for individual Shippers, for the period Gas day 1 March 1996 - Gas day 31 January 1998 inclusive.

The IQR project successfully identified solutions to a number of issues, some of which impact Shippers reconciled gas positions at meter point level. Whilst these solutions have been in the most part prospectively implemented, Transco and Shippers recognise that there is significant value in closing down the past effects of these and other issues.

It is recognised that line by line adjustments will not be cost effective or efficient for either Shippers or Transco and that a more pragmatic approach is desirable. This would realise benefits for all parties, including delivery of a sufficiently robust final billed energy position without the need to wait for individual meter point adjustment.

Following a meeting to discuss Close Out of Network Code implementation issues, between Transco, Shippers and Ofgas in January 1998, agreement was reached to form a Work Group to take this forward.

Close Out is a means to resolve IQR issues, Non IQR queries and uninvoiced reconciliation in aggregate for individual Shippers, for the period Gas day 1 March 1996 - Gas day 31 January 1998 inclusive.

Whilst Close Out also includes transportation, the modification will give effect to the gas element only, in the form of a special reconciliation.

CONSEQUENCE OF NOT MAKING THIS CHANGE

Adjustments relating to the Close Out period would continue to be processed on a line by line basis. However this would take considerably longer and result in disproportionate costs to Shippers and Transco for little benefit.

AREA OF NETWORK CODE CONCERNED

Network Code Transition Document Part II.

NATURE OF PROPOSAL

The reconciled gas position for all Shippers and hence the overall balance will be agreed and finalised for the period Gas day 1 March 1996 - Gas day 31 January 1998. This has the benefit that all parties will have an Energy picture as defined by a Full and Final agreement.

PURPOSE OF PROPOSAL

To specify the terms of a special reconciliation to resolve outstanding IQR, Non IQR and reconciliation issues and hence correct apportionment of gas amongst the Shipping community for the period upto gas day 31 January 1998.

IDENTITY OF PROPOSER'S REPRESENTATIVE: Paul Rogers

PROPOSER : John Lockett

SIGNATURE:



POSITION : Network Code Development Manager

COMPANY : Transco

MODIFICATION PANEL SECRETARY'S USE ONLY

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