

**TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0387**  
"Application of Neutrality Charges to Storage Operators"  
Version 6.0

**Date:** 23/02/2000

**Proposed Implementation Date:** 01/05/2000

**Urgency:** Non-Urgent

**Justification**

This modification to the Network Code is required to ensure consistent treatment of all Users of the system.

**Nature of Proposal**

Under the terms of the Network Code Storage Operators do not incur Balancing Neutrality charges and Top-up Neutrality charges if they undertake not to become a Trading Participant on the OCM. Transco proposes to modify its Network Code such that where a Storage Operator is also a User, as defined in the Network Code, it would be subject to the same Neutrality charges as any other User irrespective of whether it has undertaken not to become a Trading Participant. To ensure the Network Code treats all Users in a consistent manner this modification proposal would also remove the restriction on Storage Operators from trading on the OCM.

**Purpose of Proposal**

The purpose of this proposal is to ensure that Storage Operators, when they are also a User, face the same exposure to Neutrality charges and payments as any other User. This helps to facilitate the discharge of Transco's obligations under its PGT Licence within standard condition 7 (b) by ensuring non-discriminatory treatment of Users as required by standard condition 11.

**Consequence of not making this change**

Storage Operators which are also Users and have undertaken not to trade on the OCM, would continue to be treated in a different manner to any other User. In addition, a Storage Operator that is a User may experience benefits not on offer to a Storage Operator which is not a User.

**Area of Network Code Concerned**

Section F: System Clearing, Balancing Charges and Neutrality.

Section P: Top-Up Storage

**Proposer's Representative**

Andy Cruise (Transco)

**Proposer**

Tim M Davis (Transco)

**Signature**

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