Draft Modification Report
Definite Gate Closure Times For Daily System Entry Capacity Bids
Modification Reference Number 0432

Version 2.0

This Draft Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 8.9.3.

1. The Modification Proposal

It is proposed that the Network Code rules, pertaining to the provision of Daily System Entry Capacity, be amended so that Users would know the gate closure time before which bids must be submitted if they are to be considered in a subsequent allocation process for Daily System Entry Capacity. For example, it is anticipated that if the Modification Proposal is approved, the Network Code could provide for gate closure times to occur on the hour (06.00, 07.00 etc.). The subsequent allocation process would only take into account bids that have been submitted before that time and have not been wholly satisfied by previous allocations. Any bids submitted after the gate closure would be considered at the subsequent allocation following gate closure at the next hour bar.

2. Transco's Opinion

Transco believes that modification proposal 0432 provides greater certainty for participants in within day capacity auctions which will reduce the risk of submission of erroneous bids by Users. The introduction of specific gate closure times for within day capacity release would remove the problem of uncertain closure times to the bid window. For example the bid window could be closed on the hour, which would provide a clear time limit for bidding. Users could amend or withdraw bids up until the closure time with certainty that bids would not be taken and so validation processes could be better facilitated.

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

The proposal is intended to enhance efficient operations relating to the provision of Daily System Entry Capacity. In particular, it is anticipated that a definite gate closure time will provide certainty for Users when bidding for Daily System Entry Capacity.

4. The implications for Transco of implementing the Modification Proposal , including

a) implications for the operation of the System:

There are unlikely to be any implications for the operation of the system.

b) development and capital cost and operating cost implications:

The development of a definite gate closure time would incur system development costs, which have been included as part of RGTA programme budget planning. No changes to operating costs are anticipated.

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:

Costs of system development would be met from allowed revenues for such purposes.

d) analysis of the consequences (if any) this proposal would have on price regulation:

No such consequences have been identified.

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

Transco believes that the implementation of definite within day gate closure times would reduce the probability of Users posting bids in error and subsequently contesting invoice amounts.

6. The development implications and other implications for computer systems of Transco and related computer systems of Users

The RGTA system would require modification to enable the introduction of definite within day gate closure times.

7. The implications of implementing the Modification Proposal for Users

The implementation of definite gate closure would assist Users by providing a greater degree of certainty regarding the Daily System Entry Capacity release process. That certainty could afford Users with a greater opportunity to plan and review bids for Daily System Entry Capacity.

8. The implications of implementing the Modification Proposal for Terminal Operators,Consumers, Connected System Operators, Suppliers, producers and, any Non-Network Code Party

No such implications have been identified.

9. Consequences on the legislative and regulatory obligations and contractual relationships of Transco and each User and Non-Network Code Party of implementing the Modification Proposal

No such consequences have been identified.

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

Advantages;

- Provides certainty for Users regarding the process of bidding for Daily System Entry Capacity.
- Reduces Transco discretion for timing of gate closure.
- Facilitates correction of erroneous bids.

Disadvantages;

- Transco ability to respond to demand changes will be limited by the gate closure times.

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

Representations are now sought on this draft report.

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

Not applicable

13. The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 3(5) or 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 ModificationProposal

The proposal has been discussed by a sub-group of the Capacity and Energy Workstream as part of a wider discussion regarding treatment of errors associated with the RGTA capacity system. System changes have been identified and a programme of works planned that would enable implementation of the proposal on 1 April 2001. That programme includes regression testing of all capacity bid functionality that may be impacted by introduction of the proposal.

15. Proposed implementation timetable (including timetable for any necessary information systems changes)

If approved, it is anticipated that this proposal could be implemented on 1 April 2001.

16. Recommendation concerning the implementation of the Modification Proposal

Transco recommends implementation of this proposal.

17. Text

SECTION B : SYSTEM USE AND CAPACITY

Amend paragraph 2.5.6 to read as follows :

"...Transco will initiate, between 13:00 hours on the Preceding Day and 02:00 hours on the Day a capacity allocation period (and may do so on one or more occasion in accordance with this paragraph 2.5).".

Amend paragraph 2.5.14(f) to read as follows :

""**capacity allocation period"** is a period of 15 minutes, in which Transco conducts capacity allocation at an Aggregate System Entry Point for a Day, and which subject to there being Available Daily Capacity and available daily capacity bids at such time :

(a) first commences at 13:00 hours on the Preceding Day to that for which the Daily System Entry Capacity is applied for;

(b) commences on any hour bar falling thereafter up to and including 02:00 hours on the Day for which the Daily System Entry Capacity is applied for (but not thereafter).".

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:

Tim Davis
Manager, Network Code

Date: