

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0534

"LNG Withdrawal Ramp Rates"

Version 1.0

Date: 15/02/2002

Proposed Implementation Date: 01/05/2002

Urgency: Non-Urgent

Justification

The LNG Annual Storage Invitation is issued in March of each year and potential storage users need clarity beforehand on the services available from Transco LNG. Transco LNG has outlined this proposed change within the Planning and Security (including Storage) Workstream (PSS) and this Workstream has recommended that a proposal of this nature should proceed to consultation without delay.

Nature of Proposal

It is proposed that changes in withdrawal nominations at Transco LNG facilities be subject to ramp rate restrictions. These restrictions would be based upon the physical ability of send-out plant at the LNG facility to accommodate changes of flow. Transco LNG would publish details of these ramp rates in its Annual Storage Invitation.

Transco LNG would have the right to reject any change in withdrawal nomination or if the change could be physically accommodated by the plant, it would reserve the right to make an overrun charge. Such overrun charges would also be published in the Annual Storage Invitation.

Implementation of this Modification Proposal would not affect the restrictions for output nominations as detailed in Section C of the Network Code and the Storage Operator would still be responsible for ensuring that the total quantity withdrawn was subject to the requirements of its Storage Connection Agreement including any ramp rate criteria.

Purpose of Proposal

By improving the definition of Transco LNG services, Users would be better positioned to attach a value to these services. This improvement in information would influence the actions of potential storage users in the LNG tender process and in their decisions on use of services provided by other parties. This would better facilitate the securing of effective competition between relevant shippers.

Consequence of not making this change

A discrepancy would remain between the Network Code and the physical ability of storage withdrawal plant to accommodate changes in Users' nominations.

Area of Network Code Concerned

Section Z 1.4

Proposer's Representative

John J Bradley (Transco)

Proposer

Tim M Davis (Transco)

Signature

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