

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0670
"Requirement for Publication of Transco's Revenue Flows against target "
Version 2.0

Date: 14/11/2003

Proposed Implementation Date: 01/01/2004

Urgency: Non-Urgent

Justification

Shippers are currently unable to monitor Transco's revenue recovery against that allowed under their Price Controls. In recent years there have been wide fluctuations in transportation charges arising from under or over recoveries of these revenues. With greater transparency of these processes Shippers and their related Suppliers will have better information with which to assess the impact of such changes upon pricing of services to their consumers.

Monthly publication of this information would provide greater transparency to the process and give Shippers and Suppliers an early indication of under or over recoveries which could lead to changes to transportation charges or to a "k factor" being applied between years of a Price Control.

This information will become significantly more important in April 2004, when separate price controls are established for each LDZ. Shippers and Suppliers could be subjected to greater variations unless charges are appropriately set to meet allowed revenues.

Nature of Proposal

On a monthly basis Transco would be required to provide information on the aggregate sums invoiced to Shippers in respect of each of the various Transportation charge types. This information would be published by means of a monthly budget statement (suggested format attached) for each Price Control (NTS TO, NTS SO & LDZ (separated from 1 April 2004)). Information included in the monthly statement would be:-

- Total billed for the prior month, by transportation charge type. NB These should be total billed figures not adjusted for disputes and queries.
- Running total for the (price control) year to date.
- Transco's reasonable estimate of revenue recovery for each charge type for each month, with aggregate for year to date, profiled to reflect Transco's forecast of capacity sales and energy throughput.

Information should be published no later than [Xth] of each month following completion of Transco's monthly invoice production cycle (not invoice due dates).

Purpose of Proposal

To provide greater visibility to Transco's revenue collection against that allowed under their Price Control. This will decrease the risk associated with the setting of charges to customers and support effective competition between suppliers.

Proposed Format of Monthly report

Charge type		Forecast of income, current month	Forecast of income, year to date (April –Mar)	Actual billed amount, current month	Actual billed amount, year to date (April – Mar)
NTS TO					
NTS Entry					
NTS Exit					
NTS SO					
NTS Comm					
LDZ					
LDZ Cap					
LDZ Comm					
Cust Cap					
Cust Comm					
Etc.					

Consequence of not making this change

Shippers and Suppliers will continue to be faced with unexpected and unforeseen variations to Transportation Charges

Area of Network Code Concerned

Section S

Proposer's Representative

Mike Young (British Gas Trading)

Proposer

Mike Young (British Gas Trading)

Signature

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