

TRANSCO WORKSTREAM REPORT

"Provision of Contestable Transmission Support Services"

Version 1.0

1 Background to the Proposals

This is a Workstream Report for both Modification Proposals 0584 "Provision of Contestable Transmission Support Services" and 0585 "Provision of Contestable System Reserve Services".

Previous Workstream Reports were submitted to the September, October and November Network Code Modification Panels. The November Panel accepted the Workstream's recommendation that both these Modification Proposals remain with the Workstream for further review. Discussion therefore took place at the December meeting of the Planning and Security (including Storage) PSS Sub-group.

2 Sub-Group Discussion - 10 December 2002

To progress the development of contestable services, Transco tabled a suggested draft of a Modification Proposal to allow parallel operation of demand-side services in 2003/4; business rules and contract term sheets for the two types of service (rate change and low flow). If the Workstream members had no issues with these documents Transco proposed to withdraw Modification Proposals 0584 and 0585 and submit a new Modification Proposal to the December Modification Panel. During detailed discussion of the principles and the draft business rules, issues were raised by the Sub-group members including Transco's suggestions on how a period of parallel-running would be financed. It was noted that, as Transco were suggesting all existing arrangements for Transmission Support and System Reserve would continue for 2003/4, Network Code approval for parallel-running would not be required prior to the LNG Auctions.

3 Conclusion

Following discussion, the Sub-group supported Transco's suggestion of withdrawing Modification Proposals 0584 and 0585 and agreed that Transco should proceed to address the issues raised in order to discuss them further at the January Sub-Group meeting. Based on these discussions Transco to submit a new Modification Proposal to the December Panel meeting.