

## **TRANSCO WORKSTREAM REPORT**

"Top-up Monitor Cost Recovery"

Version 1.0

### **1 Background to the Proposal**

This Proposal was raised by Transco at the September Modification Panel and referred to the NT&T Workstream. Discussions were held at the Planning and Security (Including Storage) (PSS) Sub-Groups held on 8 October 2002 and 12 November 2002. The October Modification Panel received a workstream report following the October PSS meeting and agreed that the Proposal should remain with the Workstream.

### **2 Sub-Group Discussion - 12 November 2002**

Transco reiterated the rationale behind the Proposal. Members were reminded that following concerns expressed at the October meeting, they had been invited to give consideration to alternative methods of cost recovery. Transco confirmed no alternative suggestions had been received as a result of any such consideration.

Transco had been requested to provide information to assist discussion on its methodology for calculation of Top-up Monitors. Transco had discussed this request and had concluded that it would be beneficial if it provided Users the monitor profiles at the beginning of each Storage Year. Whilst recognising that this was only part of the information required by Users, it should assist them in predicting whether their storage withdrawal nominations were likely, if typical, to lead to Transco making counter nominations and hence incur charges.

Members noted the offer of such data but stated that in the absence of an additional information it would be impossible to ascertain if counter nomination charges were imminent. Transco pointed out, however, because of confidentiality clauses within SCAs, Transco would not be permitted to relate monitor levels to actual gas-in-store and by implication how many further days of withdrawal would result in the gas-in-storage crossing the threshold.

Transco confirmed that separate monitors were maintained for Operating Margins and Top-up Gas.

Whilst reservations were expressed on the way in which the proposed charges were focussed it was agreed that the Modification Proposal was not ambiguous and should therefore proceed to consultation.

### **3 Recommendation**

**The Workstream therefore recommends to the Network Code Modification Panel that Modification Proposal 0583 proceed to consultation.**