

MODIFICATION PROPOSAL

Date: 15th March 1996

Proposed implementation date: As soon as possible.

Urgency: URGENT

Justification: As a result of limited participation by Users in the flexibility mechanism and volumes of beach gas required to address imbalances not being available (and storage gas being used in greater quantities than anticipated), it is expected that the £10 million flexibility mechanism cap for March will be breached by 16th March. Some Users have made it known to TransCo that they do not want the flexibility mechanism to be suspended.

AREA OF NETWORK CODE CONCERNED

Transition Document, Section 4, Energy Balancing, paragraph 4.2.2

NATURE OF PROPOSAL

It is proposed that the table of Amounts be amended in paragraph 4.2.2 as reflected below, and there be an additional column specifying the maximum rate of net Balancing Neutrality Charges (referred to in paragraph 4.2.1) recovery:

<u>Month (1996)</u>	<u>Amount</u> <u>(£ million)</u>	<u>Max. Recoverable Amount</u> <u>from System Users</u>
March	24	10
April	24	18
May	24	24
June	30	30
July	33	33
August	36	36

If the net Balancing Neutrality Charges exceed the maximum Recoverable Amount set out above, the under-recovered charges will be carried over to the next month.

PURPOSE OF PROPOSAL

To prevent early suspension of the flexibility mechanism.

PROPOSER : Chris Train
POSITION : Energy Balancing Manager
COMPANY : TransCo

Reference Number: 0011

Date Received: 14th March 1996