

MODIFICATION PROPOSAL

DATE: 15th March 1996

**PROPOSED IMPLEMENTATION
DATE:** 06:00 HRS 16th March
1996

URGENCY: URGENT

JUSTIFICATION: To avoid suspending the Flexibility Mechanism due to potential breaching of the £10 million Flexibility Mechanism Cap for March 1996.

CONSEQUENCE OF NOT MAKING THIS CHANGE: Suspension of acceptance of Flexibility Bids from Users under paragraph 4.2.1 of Part II of the Transition Document.

AREA OF NETWORK CODE CONCERNED:

Part II of the Transition Document:
Paragraph 4,
Paragraph 8 Sections B2.5.3, D4, and P 5.3.

NATURE OF PROPOSAL: Insert the following Text in Transition Document Part II:

Paragraph 4: Add the following:

"4.2.6 The aggregate amount of relevant Balancing Neutrality Charges payable to TransCo, less the aggregate amount of relevant Balancing Neutrality Charges payable by TransCo, in respect of Days in aggregate in March 1996 shall not in any event exceed £10 million, and any such amount in excess of £10 million will not be carried forward for recovery by TransCo after March 1996; but for the avoidance of doubt paragraph 4.2.1 shall continue to apply."

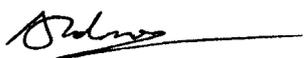
Paragraph 8: Add the following:

"B2.5.3. The relevant multiplier for the purposes of Section B2.5.3 in respect of the period from 16th to 31st March 1996 shall be 5"

"D4 In respect of the period from 1st to 15th March 1996, TransCo may agree with any User who has made Flexibility Bids for System Buys which TransCo has accepted, that the Bid Price of any such Flexibility Bid (and of any Flexibility Bid for a System Sell which was accepted for the same Day at the same Bid System Point for a quantity not exceeding the accepted quantity under such System Buy) shall be reduced to such amount as TransCo and the User shall so agree; and in such event the reduced Bid Price shall apply for the purposes of determining the Flexibility Charges payable to and by the User and System Marginal Buy Price and System Average Price pursuant to Section F 1.2.1 or F 1.2.2, and TransCo will notify Users and the Director of the revised values thereof."

"K3.3 In the period 16th to 31st March 1996 TransCo will

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utilise Balancing Margins where it would otherwise accept (and instead of accepting) a Flexibility Bid for a System Buy for which the Bid Price exceeds the amount which would be determined as the Top-up Bid Price under Section P5.3 in respect of the System Entry Point of the Rough Facility if the value of 'N' in that Section were 1.5.

PURPOSE OF PROPOSAL: This will enable further experience to be gained in the operation of the Flexibility Mechanism.

IDENTITY OF PROPOSER'S REPRESENTATIVE: Chris Train
PROPOSER : Sean Sutcliffe
POSITION : Account Manager
COMPANY : BG TransCo

MODIFICATION PANEL SECRETARY'S USE ONLY

Reference Number: 0012
Date Received : 15th March 1996

DIRECTOR GENERAL OF GAS SUPPLY RESPONSE

In accordance with Condition 7 (10) (b) of the Standard Conditions of Public Gas Transporters' Licences dated 21st February 1996 I hereby direct British Gas TransCo that the above proposal be made as a modification to the network code:

Signed for and on behalf of the Director General of Gas Supply:

Signature: 

Name: Andrew Salmon

Position: Assistant Director
Network Operations
Office of Gas Supply

Date: 15/3/96