

URGENT MODIFICATION PROPOSAL: REF NO: 0101

SHORT TITLE: Balancing Margins Flexibility Bids

DATE: 13/11/96

PROPOSED IMPLEMENTATION DATE: A.S.A.P.

URGENCY: Given that the potential cold weather demand in mid-November is above the projected maximum beach availability, Balancing Margins Flexibility Bids could be called upon at any time. TransCo recommends that this modification is processed as Urgent.

JUSTIFICATION: The placement of Balancing Margins Bids on the flexibility mechanism bid list is specified in the Operational Guidelines and was allowed for in the Transition Document for the period 15th March 1996 to 30th April 1996. This followed agreement of Modifications 0012 and 0015 to the Network Code which allowed TransCo to utilise Balancing Margins Gas where it may have otherwise accepted Flexibility Bids at prices exceeding the Top-up Bid price. This modification will provide for a commercial mechanism for bringing Balancing Margins Gas on-line and maximising storage usage to avoid an emergency. A modification to the Code is necessary to support TransCo's obligations under the Operational Guidelines.

CONSEQUENCE OF NOT MAKING THIS CHANGE: There would not be a commercial mechanism for bringing Balancing Margins Gas on-line and any use for supply demand balancing would not be reflected in imbalance charges.

AREA OF NETWORK CODE CONCERNED: Principal Document
Section K: Operating and Balancing Margins

NATURE OF PROPOSAL: Balancing Margins gas will be placed on the Flexibility Mechanism bid list as a System Buy at the highest Top-up price and will be utilised in price order (but after Top-up at the same price) by TransCo to meet a National requirement in accordance with the relevant Operational Guidelines hierarchy. It is proposed that Balancing Margins are posted in using Network Code provisions similar to those relating to Top-Up Bids.

PURPOSE OF PROPOSAL: To allow TransCo to place Balancing Margins Bids on the Flexibility Mechanism bid list.

PROPOSER : Frank Gracias
SIGNATURE :
POSITION : Operations Manager (Development)

COMPANY : TransCo

MODIFICATION PANEL SECRETARY'S USE ONLY

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Date Received : 14 November 1996