

DEVELOPMENT WORKGROUP REPORT

MODIFICATION REFERENCE NUMBER 0113

Separate invoicing for Storage

1. Extent to which the modification would better facilitate the relevant objectives;

The proposed change would give Transco Storage the flexibility to provide accurate invoicing for a wide variety of services designed to meet customer needs.

The requirements of shippers who would prefer paper invoices would be met.

2. The implications for TransCo of implementing the Modification Proposal , including:

2.1 Implications for the operation of System and any BG Storage Facility.

None

2.2 Development and capital cost and operating cost implications

Minor development, capital and operating costs for new invoicing system will be offset by efficiency savings.

2.3 extent to which it is appropriate for TransCo to recover the costs, and proposal for the most appropriate way for TransCo to recover the costs;

Not applicable - see 2.2 above.

3. The consequence of implementing the Modification Proposal on the level of contractual risk to TransCo under the Network Code as modified by the Modification Proposal;

None identified by workgroup.

4. The development implications and other implications for computer systems of TransCo and related computer systems of Relevant Shippers.

No major implications for Transco systems.

A small number of Shippers have developed automated systems for extracting storage invoice data from UK Link/IXN and inputting it to their internal invoice payments systems. These shippers strongly oppose a return to paper invoicing as they would have to develop systems to accept manual input of data.

Those Shippers who have not yet developed means of extracting storage invoice reports on paper will not need to do so as all information will be available to them on detailed monthly paper invoices.

5. The implications of implementing the modification for Relevant Shippers including;

5.1 Administrative and operational implications

Transco Storage will have the flexibility to present shippers with invoices, particularly for special services, in formats which are appropriate to the services as they are developed.

Those shippers who have automatic systems will need to manually input storage information.

The requirements of those shippers who would prefer to receive their invoices on paper will be met.

5.2 Development and Capital cost and operating cost implications

Some development costs and ongoing costs of manual data input for individual shippers with automated systems.

5.3 consequences (if any) of implementing the Modification Proposal on the level of contractual risk of Relevant Shippers under the Network Code as modified by the proposal.

None identified.

6. The implications of implementing of the modification for terminal operators, suppliers, producers and, any Non-Network Code Party;

None Identified.

7. Consequences on the legislative and regulatory obligations and contractual relationships of TransCo and each Relevant Shipper and Non-Network Code Party (if any), of the implementation of the Modification Proposal;

None Identified.

8. Analysis of any advantages or disadvantages of the implementation of the Modification Proposal;

8.1 Advantages:

Transco Storage will have an invoicing system more appropriate for invoicing a wide and changing variety of services which are designed to meet customer needs.

The large number of Shippers who have indicated that they would like to have Storage invoices on paper will be able to have them.

8.2 Disadvantages

Shippers with automated systems may need to revise their systems to accept manual data input, and will incur ongoing administrative costs.

Since the modification was originally proposed Transco have had the opportunity to consider alternatives, and feel that the most appropriate way forward at this time would be to introduce the new billing system generating paper invoices as proposed, but limited to those shippers who agree to this delivery mechanism, and to retain existing arrangements for shippers who do not wish to change.

This solution has been discussed with members of the development workgroup, who feel that the revised proposal should be acceptable to all shippers

9. Summary of the representations (to the extent that the import of those representations are not reflected elsewhere in the modification report);

No representations received at the time of writing

Irene Davies
6th June 1997