

Draft Modification Report
Modification Reference Number 0115
Value of 1 in 20 Peak Day

This modification report is made pursuant to Rule 8.12 (**Standard**) of the Modification Rules and follows the format required under Rule 8.12.4.

1. Circumstances Making This Modification Urgent

This Modification is not treated as Urgent

2. Procedures Followed

Standard Modification Rules procedures have been followed. The modification proposal was presented to the Modification Panel on 20th February 1997 and in accordance with Rule 7.2.2(ii) the Modification Panel determined unanimously that the proposal merits implementation without consideration in the development phase. Consequent to that decision, this Modification Report has been prepared in accordance with Rule 7.4(a).

3. The Modification Proposal

Currently within the Code there are several references to the use of the actual value of 1 in 20 peak day. However there are two different values used in these different sections depending on the publication date of the Ten Year Statement. The numbers either relate to the figure as published in the Ten Year Statement or the figure used for the calculation of Top-Up deliverability requirements.

In order to avoid confusion and to use a value that is most appropriate in the context of the relevant uses of the number in the Network Code it is proposed that the value for 1 in 20 peak day in year 1 is that value determined for the purposes of section P.

4. Transco's opinion

It is Transco's opinion that this modification should be approved.

5. Extent to which the modification would better facilitate the relevant objectives

This modification will remove any uncertainty for Transco and Users when deciding which value of 1 in 20 peak day should be used for operational decisions under the Code.

6. The implications for Transco of implementing the Modification Proposal, including:

a) implications for the operation of System and any BG Storage Facility:

Removes uncertainty when using 85% of 1 in 20 peak day for interruption of interruptible storage services or for invoking interruption of end users where appropriate under the Code

b) development and capital cost and operating cost implications

None

c) 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;

None

d) analysis of the consequences (if any) this proposal would have on price regulation;

None

7. 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

8. The development implications and other implications for computer systems of Transco and related computer systems of Relevant Shippers;

None

9. The implications of implementing the modification for Relevant Shippers.

Removes uncertainty in the use of the 1 in 20 peak day for operational decisions.

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

None

11. 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;

Transco is not aware of any direct consequences but indirectly the proposals would reduce operational uncertainty which would be generally desirable for the safe operation of the system.

12. Analysis of any advantages or disadvantages of the implementation of the Modification Proposal

Transco is not aware of any disadvantages of implementation of this proposal.

The advantage is greater operational certainty for both Transco and Shippers. This will reduce confusion and reduce the possibility of incorrect operational decisions being taken.

13. Summary of the representations (to the extent that the import of those representations are not reflected elsewhere in the modification report:

Representations have not yet been received.

14. The extent to which the implementation is required to enable Transco to facilitate compliance with safety or other legislation:

Transco is not aware of any.

15. Having regard to any proposed change in the methodology established under Standard Condition 3(5) or the statement; furnished by Transco under Standard Condition 3(1) of the Licence: None

16. Programme of works required as a consequence of the implementation of the Modification Proposal:

None considered necessary

17. Proposed implementation timetable:

The modification will be implemented directly following receipt of an Ofgas direction or consent that the modification be made.

18. Recommendation for the implementation of the modification:

Transco recommends that this modification is implemented.

19. Restrictive Trade Practices Act

If implemented this proposal will constitute an amendment to the Network Code. Accordingly the proposal is subject to the Suspense Clause set out in the attached Annex.

20. Transco Proposal

This Modification Report contains TransCos proposal to modify the Network Code and Transco now seeks a direction from the Director General in accordance with this report.

21. Draft Text provided pursuant to Rule 8.14 (Standard)

Section O.4.2.1

Delete the following words from the end of the section,

"which will be the values thereof used for the purposes of the Code (including those of section P)."

Section W.2.6.7

Replace existing text with the following:

"A reference in the Code in relation to any Gas Year (with the exception of year 1) to "System 1 in 20 peak day demand" is the 1 in 20 peak day demand for the System established for the Gas Year pursuant to Section O and set out in the relevant Ten Year Statement. A reference in the Code to the "System 1 in 20 peak day demand" for year 1 is the 1 in 20 peak day demand used for the purposes of section P."

Signed for and on behalf of Transco.

Signature: 

Date: 17/3/97.

Name: RICHARD ROBINSON

Position: MANAGER, SUPPLY DEMAND.

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:

Date:

Name:

Position:

The network code is hereby modified, with effect from _____, in accordance with the above proposal.

Signature:

Secretary Modification Panel
Transco

ANNEX

Restrictive Trade Practices Act - Suspense Clause

For the purposes of the Restrictive Trade Practices Act 1976, this document forms part of the Agreement relating to the Network Code which has been exempted from the Act pursuant to the provisions of the Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996. Additional information inserted into the document since the previous version constitutes a variation of the Agreement and as such, this document must contain the following suspense clause.

1. Suspense Clause

1.1 Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect:

- (i) if a copy of the Agreement is not provided to the Director General of Gas Supply (the "Director") within 28 days of the date on which the Agreement is made; or
- (ii) if, within 28 days of the provision of the copy, the Director gives notice in writing, to the party providing it, that he does not approve the Agreement because it does not satisfy the criterion specified in paragraph 2(3) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996.

provided that if the Director does not so approve the Agreement then Clause 1.2 shall apply.

1.2 Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect until the day following the date on which particulars of this Agreement and of any such arrangement have been furnished to the Office of Fair Trading under Section 24 of the Act (or on such later date as may be provided for in relation to any such provision) and the parties hereto agree to furnish such particulars within three months of the date of this Agreement.