

MODIFICATION PROPOSAL:

SHORT TITLE: Modification to allow the Top-Up Manager to access unused storage deliverability by incurring storage overruns.

DATE: 27th January 1997

PROPOSED IMPLEMENTATION DATE: ASAP

URGENCY: Urgent

JUSTIFICATION: Currently within the Code there are no specific commercial arrangements for Transco to gain access to any unused storage deliverability prior to an emergency, should there be insufficient incentive for shippers to incur overruns and place flexibility bids. This could result in an emergency being declared earlier than necessary. To allow TransCo to access any unbooked deliverability it is proposed that Transco calls upon this capacity through its' Top-Up Manager role by incurring storage overrun charges.

This modification will therefore provide a commercial mechanism for Transco to access unbooked storage deliverability.

CONSEQUENCE OF NOT MAKING THIS CHANGE: There is a risk that an emergency will be called earlier than necessary where the use of available storage deliverability could alleviate the need to call one.

AREA OF NETWORK CODE CONCERNED: Principal Document Section P: Top-Up Storage.

NATURE OF PROPOSAL: The proposal is that Transco will place a specific Top-Up bid related to the available unbooked deliverability at a price equivalent to the highest Top-Up bid price irrespective of which site the overrun is incurred. Transco will also ensure that these bids are only taken after all other Top-Up and BM bids have been taken to reduce the impact on Top-Up revenues for that day. Furthermore it is intended to state in the Operational Guidelines that these bids will be taken in the balancing hierarchy prior to the Operating Margins gas which is used just before an emergency.

PURPOSE OF PROPOSAL: To allow Transco to place Top-Up flexibility bids specifically for unbooked deliverability at storage sites and to incur overrun charges if these bids are accepted.

PROPOSER: Richard Robinson
POSITION: Manager Supply / Demand
COMPANY: TransCo

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