

## **TRANSCO NETWORK CODE MODIFICATION PROPOSAL**

**SHORT TITLE:** Amendment to Supply Point Nomination methodology

**DATE:** 13/7/98

**TARGET DATE FOR IMPLEMENTATION:** August 1998

**URGENCY:** Non-Urgent

### **JUSTIFICATION:**

Network Code Review Group 0155 'Review of SPA Timescales' determined that it is possible to reduce the maximum period required for a Supply Point transfer, particularly where this is required in the industrial & commercial market. Where a nomination/confirmation transaction is necessary, the group identified that a significant proportion of this is due to the requirement for nomination referral to Transco district. This is in circumstances where a change to the Supply Point configuration is required.

It was subsequently identified that the timescale could be significantly reduced if the referral process is separated from the transfer process. The Review Group identified that the referral activity could be undertaken as a separate nomination/confirmation transaction to be initiated in parallel with the primary transaction. On this basis a rapid transfer of ownership may be achieved.

### **CONSEQUENCE OF NOT MAKING THIS CHANGE:**

It will not be possible to implement a specific recommendation of Network Code Review Group 0155 'Review of SPA Timescales' and in consequence the current Supply Point transfer timescales will remain.

### **AREA OF NETWORK CODE CONCERNED:**

Principal Document Section B Paragraph 4.7 and Section G Paragraph 2.3

### **NATURE OF PROPOSAL:**

It is proposed that the following Supply Point nomination methodology is established within the Network Code:

The supply point is nominated based on current configuration, (aggregation and/or

capacity - it will be necessary to undertake a supply point enquiry to establish the current capacities (SOQ/SHQ)).

A second supply point nomination is simultaneously made with the required configuration (capacities/aggregation).

The offer arising from the second nomination is confirmed on or following the supply point registration date.

A process chart is attached (appendix 1).

This methodology is not appropriate where a disaggregation of meter points within a Supply Point is required.

Note: In support of the above process, it is proposed as a longer term measure to change Transco's UK-Link Supply Point Administration (SPA) systems functionality as follows:

Where the current SOQ/SHQ ratio is in the proportion x16 - x24, a nomination will be referred. It is proposed that this is changed such that where the site was nominated based on current capacities, referral will not take place.

In order to minimise the period required to establish the required configuration, it is proposed to reduce the current 15 day confirmation timescale to 8 days for any reconfirmation not involving a change from any existing registered user.

It should be noted that the benefits of implementing the modification will apply prior to the UK-Link changes becoming available. In the former case, subject to Shipper notification to the appropriate Transco district of the referral occurring. Transco will seek to process this on receipt thereby not incurring any delay. In the latter case the current 15 day confirmation timescale will apply.

Review Group 0155 identified that there was some exposure to risk in the above methodology. This concerned the issues of additional charges being incurred where a site was nominated and confirmed on the basis of the current capacity and the effect of the possible ratcheting of supply point capacities following transfer.

Ratcheting penalties in the winter period may be incurred where the actual SOQ breaches the booked SOQ in the period between confirmation and reconfirmation of the supply point. Therefore, provided that the nomination and confirmation had been made in line with the proposed methodology, it is proposed to apply relief from ratchet penalties for a period of 18 business days. This takes into account the fifteen day confirmation period and an additional 3 days as a contingency measure. It should be noted that reimbursement of ratchet penalties will apply to breaches only up to the offered capacity in respect of the second nomination, ie; the Shipper is protected only up to the capacity associated with his subsequent renomination/reconfirmation. The new SOQ will, however, be applied to the Supply Point in

line with current Network Code rules.

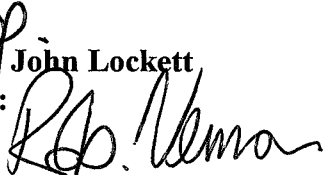
**PURPOSE OF PROPOSAL:**

To reduce the Supply Point transfer timescales in line with recommendations made by Network Code Review Group 0155 'Review of SPA Timescales'.

**IDENTITY OF PROPOSER'S REPRESENTATIVE:** Sharon McLaughlin

**PROPOSER:** John Lockett

**SIGNATURE:**



**POSITION:** Commercial Manager - Network Code

**COMPANY:** Transco

**MODIFICATION PANEL SECRETARY'S USE ONLY**

Reference Number: 0248

Date Received: 13/7/98

## Appendix 1

### Parallel nomination and reconfirmation

