

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0536
"Temporary Waiver of Two Months Notice Period to Effect a Change to Transco's
Transportation Charges"
Version 3.0

Date: 18/02/2002

Proposed Implementation Date:

Urgency: Non-Urgent

Justification

To implement Ofgem's final proposals for Transco's NTS System Operator (SO) incentives 2002-2007 it will be necessary for amendments to be made to Transco's Gas Transporters (GT) Licence. Inter alia, these amendments relate to the nature of transportation arrangements and the charges to be made by Transco in pursuance of transportation arrangements.

The revised charges that will arise from such amendments will only be known once the exact drafting of the relevant GT Licence conditions is known. However, Transco's revised NTS SO incentives will commence on 1 April 2002. Subsequently, Transco believes it may be necessary to waive the two month notice period normally required for changes to Transportation Charges to enable timely implementation of Ofgem's proposals.

Revisions to Transportation Charges would be made to enable Transco to comply with its revised GT Licence provisions. Therefore, Transco believes that this Modification Proposal would facilitate compliance with the relevant objective contained within Standard Condition 9(1)(b), i.e. the efficient discharge of Transco's obligations under its GT Licence.

Nature of Proposal

If this Modification Proposal is implemented, it is proposed that the transitional document of the Network Code is amended to specify that the provisions of Section B1.8.2 are waived from the date of implementation of this proposal (which Transco requests shall be as soon as is reasonably practicable and no later than 1 April 2002) through to 30 April 2002 inclusive.

Section B1.8.2 requires that not less than two months notice be provided by Transco prior to implementation of any revised Transportation Charges.

Purpose of Proposal

The purpose of this proposal is to enable Transco to make timely changes to its Transportation Charges where necessary to facilitate adherence to its GT Licence.

Consequence of not making this change

Transco may be unable to implement changes to its Transportation Charges in time to comply with its revised GT Licence conditions and Ofgem's proposed NTS SO incentive schemes.

Area of Network Code Concerned

Transition Document Part II, paragraph 8.1.1.

Proposer's Representative

Andy Cruise (Transco)

Proposer

Tim M Davis (Transco)

Signature

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