

## **TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0501**

“Minor Corrections to Transco LNG Storage Terms”

Version 1.0

**Date:** 13/11/2001

**Proposed Implementation Date:** 01/01/2002

**Urgency:** Non-Urgent

### **Justification**

Previous Modifications have introduced minor inconsistencies into Section Z (Transco LNG Storage Facilities) and related parts of the Network Code, which Transco now wishes to correct to ensure the clarity of existing terms and establish a sound basis for any future developments. Although no substantive change to the LNG storage service is proposed, the proposed textual changes are extensive, and Transco wishes to seek shippers' views via a Modification Proposal, rather than applying for a Consent to change the Network Code.

### **Nature of Proposal**

It is proposed to make minor corrections to Section Z (Transco LNG Storage Facilities) and related parts of the Network Code, in order to:

1. Achieve consistent use of defined terms;
2. Remove obsolete references;
3. Correct minor cross-referencing and grammatical errors; and
4. Ensure timely information on Operating Margins requirements to facilitate the Annual Storage Invitation process.

Specific details will be found in the legal text to be issued with the Draft Modification Report.

### **Purpose of Proposal**

To correct inconsistencies in the current drafting of Section Z (Transco LNG Storage Facilities) and related parts of the Network Code. Existing LNG customers understand how LNG services operate in practice, but potential new LNG customers may find Section Z difficult to interpret. The removal of these inconsistencies would therefore better facilitate "the securing of effective competition between relevant shippers".

### **Consequence of not making this change**

The current inconsistencies would not be corrected, and the Network Code would remain unnecessarily difficult to interpret.

### **Area of Network Code Concerned**

Section Z and related areas.

**Proposer's Representative**

John Bradley, Transco

**Proposer**

Ian Hopkins, Transco

**Signature**

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