

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0503

"Network Code implications of the appointment of a "Supplier of Last Resort""

Version 1.0

Date: 13/11/2001

Proposed Implementation Date:

Urgency: Review

Justification

In the event that it is necessary to appoint a "Supplier of Last Resort" (SOLR) there is currently no clear process for allocation of Shippers obligations under Network Code and therefore there is a potential exposure to the wider community. A clear procedure is required to clarify the responsibility for Shipper's obligations from the time of appointment of the SOLR until the transfer of the portfolio.

Nature of Proposal

To establish a Review Group to consider the consequences of the appointment of a SOLR in respect of the specific "Shipper" responsibilities for the Supply of gas and Energy Balancing. The group would consider and propose the relevant modifications to effect the necessary changes to Network Code.

Purpose of Proposal

To ensure that there is a clear responsibility for the Shipping responsibilities in the Supply of gas and Energy Balancing following of the appointment of a "Supplier of Last Resort"

Consequence of not making this change

There will be no clear responsibility for the shipping obligations in the event of an SOLR being appointed. In addition it is possible that there will be a period between the SOLR being appointed and the portfolio being transferred, to a new Shipper, where the costs of gas consumed and balancing will be borne by the community as smeared charges which may not be recoverable.

Area of Network Code Concerned

Sections E & F

Proposer's Representative

Mike Young (British Gas Trading)

Proposer

Mike Young (British Gas Trading)

Signature

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