

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0485
"Extension of Partial Interruption Service to DM CSEPs"
Version 2.0

Date: 10/08/2001

Proposed Implementation Date: 01/10/2001

Urgency: Non-Urgent

Justification

Currently the Network Code provides for partial interruption services at Interruptible Supply Points. This service is not available at Daily Metered Connected System Exit Points (DM CSEPs).

Transco believes there is merit in removing this inconsistency such that DM CSEPs should be eligible for partial interruption services on the same basis as single supply points. This proposal is consistent with Modification Proposal 0473 that Transco has previously raised to propose the extension of the Partial Interruption service to Shared Supply Meter Points.

Nature of Proposal

To provide for partial interruption services at DM CSEPs.

In providing such a service, it is proposed that the following business rules would apply:

1. Tranche Quantities

- The rules on tranche quantities, such as the number of tranches per supply point and the limits of each tranche annual quantity, would be consistent with those contained in the Network Code for supply points.

- The details of the tranche quantities and tranche percentages for a particular DM CSEP would be the same for all CSEP Users and agreed at the exit point level, rather than shipper supply point level.

- At registration stage, the details of the tranche quantities would be submitted by the CSEP Agent and signed by all CSEP Users.

- Any requests for changes to the tranche quantity details would be submitted by the CSEP Agent only and signed by all CSEP Users.

2. Role of CSEP Agent

- The Network Code currently provides for the appointment of allocation agents at DM CSEPs containing more than one CSEP User operates.

Where DM CSEPs contain only one CSEP User, then that User would be responsible for the requirements expected of the Agent.

- Although partial interruption requires within-day monitoring of gas flows where interruption has been called, at DM CSEPs the CSEP Agent would not be required to provide within-day allocations as Transco would only be required to monitor within-day flows on an aggregate basis. (Section 3 below)

- The CSEP agent, acting on behalf of the Users, would have responsibility for the following areas (not exhaustive) :

- a) requesting and confirming partial interruption service details
- b) requesting and confirming changes to tranche quantities
- c) the provision of daily allocations between Users to Transco to permit allocation of FTI charges (where > 1 Users)

Transco would not act on the instructions of an individual CSEP User within a DM CSEP where more than one CSEP User is registered.

3. Failure-to-Interrupt (FTI) Rules

- The rules on FTI and FTI charges would be consistent with the existing principles applying at single supply points with partial interruption and any specific rules contained within the relevant Ancillary Agreements.

- The verification as to whether a FTI has been triggered on an hourly or within-day basis, for any number of tranches, would be based on SHQ (supply point hourly quantity) tranche quantities on an aggregate basis rather than each Users' individual SHQ values.

- Where a DM CSEP contains a firm and interruptible User, the principles in Network Code (G 1.7.13 ii) would apply such that a FTI would only be deemed to have been triggered on an hourly basis in respect of the hourly quantity that exceeds the firm hourly allowance.

- Where the FTI has been triggered for any number of tranches, either on an hourly basis or end of day basis, Transco would calculate the FTI charges in aggregate. The agent, where appointed, would provide allocations to Transco to allow the allocation of any FTI charges between CSEP Users.

- In the event that the agent fails to provide Transco instructions for the allocation of any FTI charges, default allocation rules would apply consistent with those set out in the Network Code (G 1.7.13) and the relevant Ancillary Agreement for the purposes of end of day allocations at the DM CSEP.

4. Interruption Notices

- Consistent with existing arrangements for supply points and DM CSEPs, interruption notices would be submitted to both the CSEP Agent and the CSEP Users of the DM CSEP.

5. Transportation Charges

- Existing Network Code rules provide for charging for administration of the partial interruption service. At present, the administration charge for partial interruption is set at zero.

6. Partial Interruption Agreement

- Where there is to be a change to the details of a partial interruption agreement, such as an additional User, a withdrawing User, or a change to the tranche details, the Agent or User (as appropriate) would re-apply in accordance with the partial interruption application rules. In respect of requests for changes in the Registered Users, if no re-application is received by Transco by the date the change in User takes effect then the partial interruption status would cease.

- The existing timescales set out in the Network Code and the relevant Ancillary Agreement for the registration of a partial interruption service and the registration of DM CSEPs would continue to apply.

- All Users would be signatories to any partial interruption agreement at a DM CSEP and any liabilities would be joint.

Purpose of Proposal

To extend the provision of the partial interruption service to DM CSEPs, such that the present distinction between the level of interruption services at supply points and DM CSEPs is removed.

The proposed extension of the partial interruption service should help achieve a closer match between interruption notices issued and the actual requirement for a reduction in the amount of gas offtaken. This would help optimise the way Transco manages potential transportation constraints thus furthering the efficient and economic operation of the pipeline system .

The present distinction between the level of interruption services at supply points and DM CSEPs may limit the development of competition in supply. In addition, the proposal would also be beneficial to consumers since they may be able to continue operations at a lower level , rather than ceasing production , thus allowing more economic decisions to be made by the User. Hence, the proposal should further facilitate competition between shippers and between suppliers.

Consequence of not making this change

An inconsistency between the level of interruption service offered at supply points and DM CSEPs would continue. Transco would continue to fully interrupt Users at a DM CSEP to relieve a transportation constraint where a partial reduction in offtake would have sufficed.

Area of Network Code Concerned

Section G (Supply Points) 1.7 & 6.10

Proposer's Representative

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Proposer

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Signature

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