~~URGENT~~ MODIFICATION PROPOSAL

SHORT TITLE: Amendment to Input Renomination Requirements

DATE: 5th June 1996

PROPOSED IMPLEMENTATION DATE: 10th June 1996

URGENCY: Urgent

JUSTIFICATION: The Modification would enable the Network Code to reflect the physical realities of the upstream nominations and renominations process.

CONSEQUENCE OF NOT MAKING THIS CHANGE: Shippers will be in breach of their obligations to provide correct and accurate information to TransCo
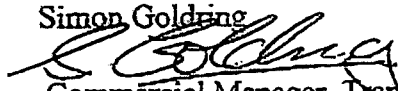
AREA OF NETWORK CODE CONCERNED: C 5.1.3

NATURE OF PROPOSAL: The Network Code requires that renominations made by Shippers should be "Matching" and be made "so as to maintain the difference" between its aggregate inputs and offtakes. TransCo are currently interpreting this as requiring a Shipper to match renominations to the exact kilowatt hour. However, nominations to producers are made in volumes using large denominations, small numbers of decimal places and subject to multiplication by a CV value again to a prescribed number of decimal places. It is therefore impossible to nominate the exact same figures to both TransCo and the Producer.

This Modification requires TransCo to accept renominations that maintain a Shippers previous balance to within 0.1% of their previous aggregate balance, based on providing the same information to TransCo and Producers.

PURPOSE OF PROPOSAL:

PROPOSED TEXT: "Where a Renomination (the Primary Renomination) is made under paragraph 5.2 or 5.3, the User is required to adjust the quantities to be delivered to and/or offtaken from the System, so as to maintain the difference (prevailing before the Primary Renomination) between the aggregate quantities it intends or expects to deliver and offtake from the System on the Gas Flow Day (within 0.1% in aggregate), and accordingly to make Renomination(s), subject to and in accordance with paragraph 5.4."

IDENTITY OF PROPOSER'S REPRESENTATIVE:

PROPOSER: Simon Golding
SIGNATURE: _____
POSITION: Commercial Manager, Transportation
COMPANY: British Gas Trading Limited

PROPOSAL REF 0037.