

~~DRAFT~~ **Modification Report**
Modification Reference Number - 0006

This modification report is made pursuant to Rule 8.12 of the Modification Rules and follows the format required under Rule 8.12.4.

1. The Modification Proposal:

The AT Link functionality required to handle DMA (F) supply points under the Network Code will not be available until 1 September 1996.

Thus, for the period up to 31st August 1996, when part of the NDM to DM conversion programme may take place, it is proposed that shippers submit one DMA output nomination per exit zone to cover both DMA (F) and DMA (I) supply point groups, i.e. a merged 'DMA' categorisation.

2. Text provided pursuant to Rule 8.14:

Transition Document, Part II, paragraph 8

Insert before 'Section B'

"Section A

A4.4 Until 31st August, each Firm DMA Supply Point Component shall be deemed to be an Interruptible DMA Supply Point Component for the purposes of:

- (i) determining the amounts payable by Users by way of NTS Exit Overrun Charges (under Section B3.6) and Supply Point Ratchet Charges (under Section B4.7);
- (ii) ascertaining (under Section C1.5) for each User the DMA (I) Supply Point Groups (and accordingly there shall be no DMA (F) Supply Point Group);
- (iii) ascertaining (under Section F3.3.1(b)) for each User the Scheduling Interruptible Supply Point Groups (and accordingly there shall be no Scheduling Firm Supply Point Group)."

3. TransCo's opinion:

This modification has been discussed and agreed at the UK Link Committee held on 10 April 1996 and the Modification Panel meeting held on 25 April 1996. It was agreed that the modification would have limited systems impact and would ensure that the new DMA (F) supply points will be handled by UK-LINK under the Network Code.

4. Extent to which the modification would better facilitate the relevant objectives:

This modification will allow DMA (F) supply points to be handled by AT-Link until the functionality is available on 1 September 1996.

5. The implications for TransCo of implementing the Modification Proposal, including:

a) implications for the operation of System and any BG Storage Facility:

None

b) development and capital cost and operating cost implications

None

c) extent to which it is appropriate for TransCo to recover the costs, and proposal for the most appropriate way for TransCo to recover the costs:

It is not TransCo's intention to recover costs that they incur with respect to this modification.

d) analysis of the consequences (if any) this proposal would have on price regulation:

TransCo is not aware of any impacts on Price Regulation.

6. The consequence of implementing the Modification Proposal on the level of contractual risk to TransCo under the Network Code as modified by the Modification Proposal:

This modification will ensure that TransCo's contractual obligations under the Network Code can be met.

7. The development implications and other implications for computer systems of TransCo and related computer systems of Relevant Shippers:

There will be a limited impact on TransCo's systems (approx. 20 days) and shipper systems. United have indicated an impact of 17 days.

8. The implications of implementing the modification for Relevant Shippers

This modification, resulting in the submission of one DMA gas nomination will have the following impact:

- As the measurements will be aggregated for all DMA sites within the zone, each meter will receive one allocation figure.
- Energy balances will be calculated as normal.
- Scheduling charges will be calculated as for DMA (I). DMA points on AT-LINK will have nominations and allocations aggregated at the LDZ and the scheduling difference determined as one charge per LDZ.
- As all DMA points on the system are currently interruptible, overrun charges will continue to be calculated based on firm DMC's only.

9. The implications of implementing the modification for terminal operators, suppliers, producers and, any Non-Network Code Party:

None

10. Consequences on the legislative and regulatory obligations and contractual relationships of TransCo and each Relevant Shipper and Non-Network Code Party (if any), of the implementation of the Modification Proposal:

TransCo has not been informed of any consequences of the legislation and regulatory obligations and contractual relationships of implementing this proposed modification.

11. Analysis of any advantages or disadvantages of the implementation of the Modification Proposal:

Potential benefits to Shippers of moving forward with the modification and delaying full implementation of DMA (F) on AT-LINK until 1 September 1996.

- Increased scheduling tolerances: Tolerance percentage will be at 25% as agreed for the DMA (I) category as opposed to 20% for DMA (F) supply points. Additional advantage provided in the netting of both firm and interruptible DMAs at the LDZ.
- No difference in scheduling rate use for charge calculations: both 1% of WAP.
- No contribution to Overrun Charges: DMA (F) points will be included in the calculation once DMA (F) is implemented.
- No difference in Energy Balancing calculations.

Possible impacts on shippers of moving forward with the modification:

- Possible system change or manual work around to aggregate DMA (I) nomination(s) and DMA (F) nomination(s) within the exit zone (maximum aggregation is summing 2 figures per exit zone).

Benefits to TransCo of moving forward with the modification:

- Delivery of DMA (F) functionality as programmed for the 1st September 1996 without the need to decouple from the phase 2 energy balancing functionality.

Impacts on TransCo:

- System development time to amend interface between Sites & Meters and AT-LINK for the date of the threshold reduction and additional data conversion effort for 1 September 1996.
- Sites scheduled in aggregate.

12. Summary of the representations (to the extent that the importance of those representations are not reflected elsewhere in the modification report:

Support for this modification was given by the Modification Panel at their meeting of 28 March 1996 subject to an appraisal of systems impacts by the UK Link Committee. Having considered the views of the members, the UK Link Committee, held on 10 April 1996, agreed that the Modification Panel should be advised that the modification had limited impact on shipper systems. United objected to the proposal on the basis of a 17 day impact on their systems. The Modification Panel of the 25 April 1996 subsequently unanimously approved the modification.

13. The extent to which the implementation is required to enable TransCo to facilitate compliance with safety or other legislation:

The modification is not required to facilitate compliance with safety or other legislation..

14. Having regard to any proposed change in the methodology established under Standard Condition 3(5) or the statement: furnished by TransCo under Standard Condition 3(1) of the Licence:

The modification is not required to comply with the above clause.

15. Programme of works required as a consequence of the implementation of the Modification Proposal:

TransCo will proceed with the implementation of this proposal so that the functionality is available for the date of the reduction of the DM threshold (now planned for August 1996).

16. Proposed implementation timetable:

Discussions are underway to agree a timetable and process for the reduction of the DM threshold. The earliest opportunity for this reduction is now 5 August 1996 subject to datalogger performance.

17. Recommendation for the implementation of the modification:

TransCo recommends that this proposal is implemented as agreed at the Modification Panel meeting of the 25 April 1996.

18. Restrictive Trade Practices Act

If implemented this proposal will constitute an amendment to the Network Code. Accordingly the proposal is subject to the Suspense Clause set out in the attached Annex.

19. TransCo Proposal

This Modification Report contains TransCo's proposal to modify the Network Code which TransCo has already received a direction from the Director General to make in accordance with this report.

Signed for and on behalf of British Gas TransCo.

Signature:

Date: 21/05/96

Name: Chris Train

Position: Energy Balancing Manager

Director General of Gas Supply Response

In accordance with Condition 7 (10) (b) of the Standard Conditions of Public Gas Transporters' Licences dated 21st February 1996 I hereby direct British Gas TransCo that the above proposal be made as a modification to the Network Code.

Signed for and on behalf of the Director General of Gas Supply.

Signature:

Date:

Name:

Position: