

Modification Report
Modification Reference Number - 0024

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. Circumstances Making This Modification Urgent

In accordance with Rule 9.2(a) Ofgas has agreed that this modification should be treated as URGENT because of delays in processing input allocation information.

2. Procedures Followed

TransCo agreed with Ofgas (and has followed) the following procedures for this Proposal:

- 30 April 1996 - The Proposal was circulated.
- 1 May 1996 - System User representations made.
- 3 May 1996 - Modification report to OFGAS.
- 3 May 1996 - Implementation.

3. The Modification Proposal:

To alter the entry close out from M+25 to M+30 for the month of March 1996 and subsequently delaying the submission of the first balancing invoice from 20 May to 27 May 1996.

4. Text provided pursuant to Rule 8.14:

Revised drafting to Transition Document Part II, paragraph 8, Section E1.9.1 and Transition Document Part III, Section S1.4.2.

Transition Document Part II, paragraph 8 -

Amend Section E 1.9.1 (i) to:

"Section E

E1.9.1. Notwithstanding Section E1.9.1, the Entry Close-out Date for Gas Flow Days in March 1996 shall be 15th May 1996."

Transition Document Part III -

Amend Section S1.4.2 to:

"Provided that the expected date for submission of the first balancing invoice is the 27th May 1996 (rather than the 28th Business Day above). This shall not be deemed to be a change or delay for the purposes of sections S1.4.2, S1.4.3 and S4.2.6."

5. TransCo's opinion;

This modification should be implemented to allow Claims Validation Agents time to process data and hence avoid the use of the Network Code default allocation process for March 1996 deliveries.

6. Extent to which the modification would better facilitate the relevant objectives;

The modification allows the Claims Validation Agents additional time to process the March Allocations data.

7. 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 any costs incurred with respects to this modification.

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

TransCo is not aware if any impacts on Price Regulation.

8. 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;

The proposal will delay submission of balancing invoices and therefore delay payment.

9. The development implications and other implications for computer systems of TransCo and related computer systems of Relevant Shippers;

None

10. The implications of implementing the modification for Relevant Shippers,

Extending the entry close-out date will avoid the use of the Network Code default allocations for shippers deliveries and delay the receipt of March balancing invoices.

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

The Claims Validation Agents will have more time to process the March allocation data.

12. 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.

13. Analysis of any advantages or disadvantages of the implementation of the Modification Proposal;

Advantages - The advantage of implementing this modification is that the Claims Validation Agents will have more time to run their allocation processes.

Disadvantages - delays balancing invoices.

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

All respondents agreed to the proposal. One shipper suggested a further extension in the event that AT-Link/CVA information flow problems are not resolved in time for the CVA to submit valid Entry Allocation Statements.

15. 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.

16. 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 proposed modification is not required to comply with the above clause.

17. Programme of works required as a consequence of the implementation of the Modification Proposal;

Not Applicable.