



## Urgent Modification Proposal 238

### Revised Methodology for Top-up Calculation Decision

**25 November 1998**

#### **Present Position**

Top-up is gas placed in storage by Transco to potentially enhance security of supply, ensuring that demand can be met under severe weather conditions. The top-up requirement is determined by the level of gas required to meet a 1-20 peak day and a 1-50 severe duration winter after allocated storage deliverability and allocated storage space are taken into account. Currently however, the calculation of the top-up requirement does not take account of the changes to the storage regime.

#### **Proposal**

Modification 238 has been proposed by Transco to incorporate changes to the storage regime into the top-up storage rules of the network code. These changes include the removal of the V factor so that Rough storage may now be used when system demand exceeds 85% of forecast peak demand. The changes also include the introduction of a special service which BG Storage now offers whereby interruptible deliverability is made available from Rough and Hornsea, on days when deliverability is not fully utilised by shippers with annual bookings. Therefore when deciding on the amount of Top-up storage required, consideration must be made that interruptible deliverability at Rough is available at any demand level and that deliverability can also be accessed by means of low cost overruns. These measures should reduce the level of top-up required to meet the security standards.

#### **Possible Impact on Customers**

Any change in shipper costs resulting from a reduction in the amount of top-up gas required may ultimately be passed onto customers.

#### **Ofgas' Decision**

Ofgas accepts Transco's modification proposal 238 as it incorporates changes to top-up which have already been made to storage. The modification also reduces the cost of booking top-up and consequently potentially reduces balancing neutrality charges to shippers.

#### **Further Information**

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