

Mod 243a

URGENT MODIFICATION PROPOSAL**Revision of Rough Services (Alternative)****Date:** 28th July 1998**Proposed Implementation:** 1st October 1998**Justification:**

BG Storage wishes to adopt certain aspects of Modification Proposal 243, but not others:

As regards Force Majeure protection and compensation, no changes should be made. In common with other operators of physical facilities, BG Storage is vulnerable to circumstances beyond its control affecting operation, and should have Force Majeure protection.

As regards late booking, the value of the capacity is not evenly spread through the year; for example deliverability is more valuable in the winter. The monthly instalments towards the annual charge do not reflect the value in the individual month. There is currently an appropriate balance between early booking to maximise use of the service, and delaying commitment. However, for simplicity BG Storage proposes abolition of the interest element of the late booking charge. BG Storage also supports removal of reference to 30th November as cut-off date for booking Interruptible Storage Capacity, as this no longer has any effect following Modification 220.

Consequence of not making the change:

This alternative proposal simplifies administration and the Network Code, without having a major effect.

Area of Network Code concerned:

Section R3.8.

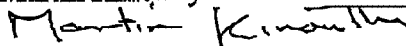
Nature of Proposal:

Remove R3.8.2, the reference to 30th November as the cut-off date for booking Interruptible Storage Capacity.

Remove the interest term 'Ii' from R3.8.9(ii), the late booking charge.

Purpose of Proposal:

The proposal simplifies administration, reduces the late booking charge, and clarifies the Network Code.

Proposer: Martin Kinoulty
Signature: 
Position: Director, Business Development
Company: BG Storage

Nature of Proposal:

With effect from 1999/2000, interruptible deliverability would not be offered.

BG Storage could (but would not be required to) offer daily firm deliverability at Rough and Hornsea.

Deliverability booked on an annual or daily basis but unutilised at nomination time would be made available by auction. Subsequently any remaining capacity would be sold at the auction clearing price on a first-come first-served basis. This 'use-it-or-lose-it' capacity would be interruptible if holders of the unutilised firm deliverability subsequently re-nominated.

Deliverability overrun charges would be 8 times the daily rate for Rough firm deliverability, 30 times for Hornsea, subject to the availability of unbooked deliverability.

If total nominations exceeded the deliverability of the facility, overrunning shippers would be asked to curtail their nominations. Curtailment would be:

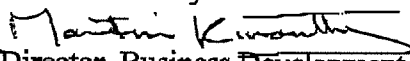
First, of shippers without firm deliverability or space;
Second, of shippers holding space but no firm deliverability;
Last, of holders of firm deliverability;

the available deliverability being pro-rated to relevant holdings.

If shippers failed to curtail their nominations as requested, the existing overrun charges (pursuant to Modification 158) would apply.

Purpose of Proposal:

The proposal is intended to enhance utilisation of Rough and Hornsea deliverability.

Proposer: Martin Kinoulty
Signature: 
Position: Director, Business Development
Company: BG Storage