

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 245a

SHORT TITLE: Remove Barriers to On-the-day Trading

DATE: 24/8/98 **PROPOSED IMPLEMENTATION DATE:** To be considered when developed

URGENCY: Non-Urgent

JUSTIFICATION:

Restrictions on within-day trading at the NBP, as imposed under modification 169, have continued to reduce liquidity in the market, hindering the development of shipper balancing tools.

Shippers are currently prevented from reflecting information on physical deliveries to Transco, who face the risk of taking inappropriate balancing action on the basis of inaccurate information.

Transco have argued that they are unwilling to relax completely controls on shippers, which discourage over- and under-delivery into the system.

Scheduling charges should be retained to encourage shippers to make accurate input and output nominations. In any case Transco should continue to balance the system using available information on linepack pressures, their own aggregate demand forecasts, offtake profile notices and DFN's rather than shipper nominations.

CONSEQUENCE OF NOT MAKING THIS CHANGE:

High balancing charges, continuation of inaccurate nominations, unnecessary scheduling charges, likelihood of inappropriate or unnecessary flexibility action by Transco on the basis of inaccurate nominations, hindrance to the development of effective shipper balancing tools, unnecessary complication for the on-the-day commodity market.

AREA OF NETWORK CODE CONCERNED:

Section C (Nominations) paragraph 5.4.

NATURE OF PROPOSAL:

Restrictions on matching renominations accompanying acquiring and disposing trades at the NBP are to be removed.

PURPOSE OF PROPOSAL:

To increase the tools available for shipper balancing, to reduce the costs of balancing, to facilitate within day trading (at beach and NBP), to improve the accuracy of information sent to Transco, to avoid unnecessary flexibility action.

IDENTITY OF PROPOSER'S REPRESENTATIVE:

David Salisbury

PROPOSER: Nigel Shaw

SIGNATURE: 

POSITION: Commercial Director

COMPANY: Transco

MODIFICATION PANEL SECRETARY'S USE ONLY

Reference Number: 03450

Date Received: 340898