

Draft Modification Report
Modification Reference Number 301

This draft Modification Report is made pursuant to Rule 7.3 of the Modification Rules and follows the format required under Rule 8.9.3.

1. The Modification Proposal:

The proposal is to increase the number of maximum tranches that are allowed in a partial interruption agreement from five to nine.

2. Transco's opinion:

This proposal will have a benefit for all the parties normally involved with interruption. It gives the current partial interruption service more flexibility. Transco, shippers and gas consumers can all benefit from this flexibility because it can enable a reduced level of interruption to be called by Transco. This may also lead to increased use of the partial interruption service.

This Modification will also mean that the partial interruption arrangements that are currently in place at the interconnectors will be mirrored at supply points.

3. Extent to which the proposed Modification would better facilitate the relevant objectives:

Since this modification will help to reduce the actual level of Transco interruption on the network, it will aid the efficient and economic operation of the pipeline system.

4. The implications for Transco of implementing the Modification Proposal, including:

a) implications for the operation of the System:

Increased use of the partial interruption facility service will make the operation of the system, on days when Transco interruption is called, more efficient

b) development and capital cost and operating cost implications:

This proposal will not lead to any additional costs.

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:

The administration charge for a partial interruption service will remain unchanged. (The current charge is nil).

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

No impact is anticipated.

5. **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 have no impact on the level of contractual risk under the Network Code.

6. **The development implications and other implications for computer systems of Transco and related computer systems of Users:**

The computer functionality required for this Modification is already in place.

7. **The implications of implementing the Modification Proposal for Users:**

This Modification will enable Users to manage their interruptible portfolios in a more efficient manner and reduce the total volume of interruption called by Transco.

8. **The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Storage Operators, suppliers, producers and, any Non-Network Code Party:**

This modification is expected to be of benefit to gas consumers at interruptible supply points because it should allow them to keep the more essential processes using gas whilst the rest of the site is interrupted.

It is not anticipated that any other Non-Network Code party will be significantly effected by the Modification.

9. **Consequences on the legislative and regulatory obligations and contractual relationships of Transco and each User and Non-Network Code Party of implementing the Modification Proposal:**

This modification will have no effect on this area.

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

This proposal, if it is implemented and the resulting nine tranche service is utilised, will improve the level of efficiency associated with Transco interruption, by reducing the volume of interruption on the system.

If this modification is not implemented then the inconsistency that exists between interconnectors and supply points will continue.

11. **Summary of the Representations (to the extent that the import of those representations are not reflected elsewhere in the Modification Report):**

None yet received.

12. **The extent to which the implementation is required to enable Transco to facilitate compliance with safety or other legislation:**

This Modification will have no significant impact upon Transco's compliance with safety or other legislation.

13. **The extent to which the implementation is required having regard to any proposed change in the methodology established under Standard Condition 3(5) of the statement; furnished by Transco under Standard Condition 3(1) of the Licence:**
None
14. **Programme of works required as a consequence of implementing the Modification Proposal:**
There are no works required Transco can receive applications for a nine tranche partial interruption service immediately following implementation.
15. **Proposed implementation timetable (inc. timetable for any necessary information systems changes):**
Implementation can take place at any time. There are no system changes required.
16. **Recommendation concerning the implementation of the Modification Proposal:**
Transco recommend that the Modification should be implemented as soon as possible.
17. **Text :**
Section G6.10.2 (i) shall be changed to read:
"the User shall specify the number of Tranches which it requires at the Supply Point, such number shall not exceed 9;"

Representations are now sought in respect of this Draft Report and prior to Transco finalising the Report.

Signed for and on behalf of Transco.

Signature:



Tim Davis
Manager, Network Code

Date: 10/12/98