

URGENT MODIFICATION PROPOSAL

TITLE: Increased availability of NTS Daily Entry Secondary Capacity

DATE: 27th November 1998

PROPOSED IMPLEMENTATION DATE: 1st December 1998

TYPE: Urgent

JUSTIFICATION: Failure to amend the current Code rules means that in the event of scaling back of large bids for secondary capacity, very little will be allocated or left with Shippers.

NATURE & PURPOSE OF MODIFICATION PROPOSAL: To ensure that as much secondary NTS Entry Capacity is in the hands of those Shippers wishing to use it on a day. To achieve this, the aim should be to initially allocate as much as possible to bidding Shippers and to limit any subsequent scaling back to the minimum necessary to meet primary holders needs. The current rules work such that initial allocation appears to be carried out sub-optimally and scaling back affects 100% of bids at the affected price irrespective of the volume of scaling required.

It is proposed that initial allocation should be carried out such that initially bids are ranked by price. If all bids cannot be fully met at a price, then all bids should be partially accepted, by pro-rating (taking into consideration any minimum bid statements).

If scaling back is required, only that necessary to meet the increased demands of the primary holders (or errors in Transco's estimation) should be carried out, not the current position whereby all bids at identical bid prices are scaled to zero, even if the reduction required is only 1kwh.

FURTHERING RELEVANT OBJECTIVES: Adopting this proposal will ensure that Capacity will be left in the appropriate hands allowing the maximum amount of gas to flow from preferred locations, thereby reducing the need for flexibility bids and/or more expensive gas being taken, hence furthering the efficient and economic operation of the system.

CONSEQUENCE OF NOT MAKING THIS CHANGE: Available gas may not flow on peak days.

AREA OF NETWORK CODE CONCERNED: Section B2

ORGANISATION: British Gas Trading Limited

PROPOSER: Simon Goldring

PROPOSERS REPRESENTATIVE: Simon Goldring



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