

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0324

SHORT TITLE: Revision of rules for booking an Interruptible Firm Allowance

DATE: 08/04/99 **PROPOSED IMPLEMENTATION DATE:** 1st October, 1999

URGENCY: Non Urgent

NATURE OF PROPOSAL:

The interruptible firm allowance (IFA) is a mechanism which allows shippers to interruptible sites to obtain a small amount of firm capacity (max. 30% SOQ). Under the current Network Code rules all IFAs expire on 30 September each year, no matter which date they were taken out. Also all Shippers with IFAs are currently charged for 12 months firm capacity, so if for example an IFA were taken out in January the shipper would pay for 12 months capacity but only get the service for 9 months.

It is therefore proposed that all IFAs run for a period of 12 months from the date on which they are first taken out.

It is envisaged that shippers will receive a single invoice to cover the 12 month period, with a second reconciliation invoice following any changes to Transco's exit capacity charges.

PURPOSE OF PROPOSAL:

To change the present booking arrangements so that IFAs run for a year from their inception date and not simply for the remainder of the gas year in which they are taken out.

The current arrangements for IFAs could potentially disadvantage shippers that do not take out the allowance with effect from 1 October. This proposal aims to improve the equitability between all relevant shippers no matter which date they apply for an IFA. This proposal is expected to better facilitate competition between relevant shippers.

CONSEQUENCE OF NOT MAKING THIS CHANGE:

If this proposal is not implemented current arrangements will continue and shippers that do not apply for IFAs with effect from 1 October will continue to pay a premium for this service compared to other shippers.

AREA OF NETWORK CODE CONCERNED:

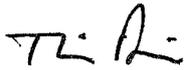
Section G 1.15

IDENTITY OF PROPOSER'S REPRESENTATIVE:

Chris Logue

PROPOSER: Tim Davis

SIGNATURE:



POSITION: Manager Network Code

COMPANY: Transco

MODIFICATION PANEL SECRETARY'S USE ONLY

Reference Number: 0324

Date Received: 08/04/99