

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0473
"Extension of Partial Interruption Service to Shared Supply Meter Points"
Version 1.0

Date: 14/06/2001

Proposed Implementation Date: 01/10/2001

Urgency: Non-Urgent

Justification

Currently the Network Code provides for partial interruption services at Interruptible Supply Points. This service is not available at Shared Supply Meter Points (SSMPs) unless the SSMP has only one User with firm and interruptible components.

Transco believes there is merit in removing this inconsistency such that SSMPs should be eligible for partial interruption services on the same basis as single supply points.

Nature of Proposal

To provide for partial interruption services at Shared Supply Meter Points (SSMPs).

In providing such a service, it is proposed that the following business rules will apply:

1. Tranche Quantities

- The existing Network Code rules on tranche quantities, such as the number of tranches per supply point, and the limits of each tranche annual quantity, will remain unchanged.
- The details of the tranche quantities and tranche percentages for a SSMP will apply uniformly at site level, rather than shipper supply point level.
- At registration stage, the details of the tranche quantities will be submitted by the Agent and signed by all Users.
- Any requests for changes to the tranche quantity details will be submitted by the Agent only and signed by all Users.

2. Role of Allocation Agent

- The Network Code currently provides for the appointment of allocation agents at SSMPs , and Users can specify that Transco acts as the allocation agent. Partial interruption will not be provided at SSMPs where Transco acts as the allocation agent, due to the increased commercial decisions that would be involved, such as the agreements of within day allocations for the purposes of allocating failure to interrupt (FTI) charges between Users, and the complexity of any within-day allocation rules that would be required.

- Although partial interruption requires within-day monitoring of gas flows where interruption has been called, at SSMPs the allocation agent will not be required to provide within-day allocations as Transco will only be required to monitor within-day flows on an aggregate basis. (Section 3 below)

- The allocation agent, acting on behalf of the Users, will have responsibility for the following areas (not exhaustive) :

- a) requesting and confirming partial interruption service details
- b) requesting and confirming changes to tranche quantities
- c) the allocation of FTI charges between Users

Transco will not act on the instructions of an individual User within an SSMP.

3. Failure-to-Interrupt (FTI) Rules

- The rules on FTI and FTI charges will be consistent with the existing principles applying at single supply points with partial interruption and at SSMPs.

- The verification as to whether a FTI has been triggered on an hourly or within-day basis, for any number of tranches, will be based on SHQ (supply point hourly quantity) tranche quantities on an aggregate basis rather than each Users' individual SHQ values.

- Where one of the supply points of a SSMP with partial interruption is firm, the principles in Network Code (G 1.7.13 ii) will apply such that a FTI will only be deemed to have been triggered on an hourly basis in respect of the hourly quantity that exceeds the firm hourly allowance.

- Where the FTI has been triggered for any number of tranches, either on an hourly basis or end of day basis, Transco will calculate the FTI charges in aggregate. The agent will provide Transco instructions on the allocation of any FTI charges between Users.

- In the event that the agent fails to provide Transco instructions for the allocation of any FTI charges, default allocation rules will apply consistent with those set out in the Network Code (G 1.7.13) for the purposes of end of day allocation at SSMPs.

4. Interruption Notices

- Consistent with existing arrangements for SSMPs, interruption notices will be submitted to both the Agent and the sharing Registered Users of the interruptible supply points.

5. Transportation Charges

- Existing Network Code rules provide for charging for administration of the partial interruption service and SSMPs. At present, the administration charge for partial interruption is set at zero.

6. Partial Interruption Agreement

- Where there is to be a change to the details of a partial interruption agreement, such as an additional User, a withdrawing User, or a change to the tranche details, the Agent will re-apply in accordance with the partial interruption application rules. In respect of requests for changes in the Registered Users, if no re-application is received by Transco by the date the change in User takes effect then the partial interruption status will cease.

- The existing timescales set out in the Network Code for the registration of a partial interruption service and the registration of SSMPs will continue to apply.

- All Users will be signatories to any partial interruption agreement at an SSMP and any liabilities will be joint.

Purpose of Proposal

To provide equal access to partial interruption services to all Interruptible Supply Points irrespective of their supply arrangements.

The proposed extension of the partial interruption service should help achieve a closer match between interruption notices issued and the actual requirement for a reduction in the amount of gas offtaken. This would help optimise the way Transco manages potential transportation constraints thus furthering the efficient and economic operation of the pipeline system .

The present distinction between the level of interruption services at single supply points and SSMPs may limit the development of competition in supply, particularly where the absence of a partial interruption service is considered a barrier to the establishment of SSMP arrangements. In addition, the proposal would also be beneficial to consumers since they may be able to continue operations at a lower level , rather than ceasing production , thus allowing more economic decisions to be made by the User. Both these benefits of the proposal should further facilitate competition in supply.

Consequence of not making this change

An inconsistency between the level of interruption service offered at single supply points and shared supply meter points would continue. Transco would continue to fully interrupt customers with shared supply arrangements to relieve a transportation constraint where a partial reduction in offtake would have sufficed.

Area of Network Code Concerned

Section G (Supply Points) 1.7 & 6.10

Proposer's Representative

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Signature

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