

# UNC Modification Proposal 0090: Revised DN Interruption Arrangements

## Gas Customer Forum

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25th September 2006

# Content

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# Where we are

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1. Modification Proposal raised on 5<sup>th</sup> July
2. Mod Proposal sent to Workgroup for Development on 20<sup>th</sup> July
3. 7 Workgroup Meetings to date
4. 2 more Workgroup meetings (27<sup>th</sup> Sept and 5<sup>th</sup> Oct)
5. Report to Mod Panel on 19<sup>th</sup> Oct

# Proposal

	Interruptible Rights take effect		Prices		Option/ Exercise		Interruptible Allowances		Length of Contract		Method of Sale	
	Year	3 years ahead	Market	Based on capacity charges	Option Only	Option/ Exercise	45 days	Variable 15, 30, 45 days	One year	Multi-year e.g. (1-5 yrs)	Apply	Tender
Present	✓			✓	✓		✓		✓		✓	
Proposal		✓	✓	✓		✓		✓		✓		✓

# Work Areas

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- ◆ Firm to interruptible switching & vice versa
- ◆ Interruption Notice
- ◆ New Supply Points
- ◆ Partial interruption, Interruptible Firm Allowances, SSMPs
- ◆ Emergency Arrangements
- ◆ Interaction with NTS arrangements
- ◆ Information Provision
- ◆ Transitional Arrangements
- ◆ [Pricing]

# Work Areas (1)

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- ◆ Firm to interruptible switching & vice versa
  - ◆ Firm to interruptible through application process
  - ◆ Interruptible to firm through existing process
- ◆ Interruption Notice
  - ◆ Existing provisions to remain
- ◆ New Supply Points
  - ◆ Made firm if capacity available
  - ◆ Otherwise given minimum interruptible terms

# Work Areas (2)

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- ♦ Partial interruption, Interruptible Firm Allowances, SSMPs
  - ♦ Firm allowance through the application process
  - ♦ Partial through application process
  - ♦ Interruptible portion of SSMP through application process
- ♦ Emergency Arrangements
  - ♦ More likely to go to Stage 2/3 ?
- ♦ Interaction with NTS arrangements
  - ♦ Removal of provisions of OAD section I
  - ♦ New provisions required if use DN interruptibles for NTS constraint management

# Work Areas (3)

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- ◆ Information Provision
  - ◆ Incumbent shippers bid interruptible terms into tender
  - ◆ Incumbent shippers receive result of application
  - ◆ If supply point transfers incoming shipper only receive interruptible terms on confirmation
  
- ◆ Transitional Arrangements
  - ◆ Required for 2007-2010
  - ◆ Existing arrangements to remain
  
- ◆ [Pricing]
  - ◆ Considering administered, tender or hybrid
  - ◆ Discussion paper on options issued on [25 September]
  - ◆ Pricing will be contained in Transportation Statement



# Mod Proposal Timetable

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- Workgroup Development finish 5<sup>th</sup> October
- Report to Mod Panel 12<sup>th</sup> October
- Indicative Legal Drafting to Mod Panel 17<sup>th</sup> October
- Mod Panel consultation 19<sup>th</sup> October
- DMR issued 26<sup>th</sup> October
- Reps close-out 16<sup>th</sup> November
- FMR issued 7<sup>th</sup> December
- Mod Panel recommendation 21<sup>st</sup> December
- Ofgem Decision 30<sup>th</sup> December

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