

TRANSCO NETWORK CODE MODIFICATION PROPOSAL No. 0013a(0740a)
"Amendment to Transco's rights to interrupt for supply / demand purposes"
Version 2.0

Date: 10/06/2005

Proposed Implementation Date: 01/10/2005

Urgency: Non-Urgent

Justification

Shell Gas Direct (SGD) raised Network Code Modification Proposal 0740 - 'Amendment to Transco's rights to interrupt for supply/demand purposes' on Thursday the 20th of January and was sent to consultation. Modification Proposal 0740 proposes amendment of "the current 85% [Of System 1-in-20 peak day demand.] limit to 95% [Of System 1-in-20 peak day demand.] from October 2005 with a further amendment to 100% from April 2006."

Within the decision letter for Modification Proposal 0705 - 'Changing the basis for triggering supply/demand interruption', Ofgem indicated a preference for removing the Transco option for instigation of interruption for "supply & demand management purposes". This Modification Proposal is being raised as an alternate to Modification Proposal 0740, to allow consideration of the removal of this Network Code term.

Nature of Proposal

This Modification Proposal seeks to remove the current Transco option to instigate Interruption "on any Day in respect of which, at anytime, Forecast Total System Demand exceeds 85% of System 1-in-20 peak day demand." (Section G 6.7.3).

Proposed Draft Legal Text

Delete G6.7.3 (c) ;

"on any Day in respect of which, at any time, Forecast Total System Demand exceeds 85% of System 1-in-20 peak day demand."

Purpose of Proposal

To ensure that Shippers are appropriately incentivised to complete their primary balancing role. Through this Modification Proposal Shippers would be further incentivised to balance their own portfolios, reducing the requirement for Transco, acting as the residual system balancer, to take actions (including

Interruption).

Consequence of not making this change

Economic and efficient operation of the system may not be facilitated as Shippers and Suppliers are not appropriately incentivised to contract with end users for commercial interruption in order to manage their supply obligations.

Area of Network Code Concerned

Section G

Proposer's Representative

Ritchard Hewitt (Transco)

Proposer

Richard Court (Transco)

Signature

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