

**CODE MODIFICATION PROPOSAL No. 0174**  
"Revised Tender Timescale for DN Interruption Arrangements"  
Version 1.0

**Date:** 13/09/2007

**Proposed Implementation Date:** 1/04/2008

**Urgency:** Non-Urgent

**Proposer's preferred route through modification procedures and if applicable, justification for Urgency**

(see the criteria at [http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752\\_Urgency\\_Criteria.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752_Urgency_Criteria.pdf))

Following discussion of this proposal at Distribution Workstream on 23/08/07 and Transmission Workstream on 6/09/07 and subsequent amendment the Proposer seeks that this Modification Proposal proceeds to consultation, in accordance with Section 7.2.3 of the Modification Rules in the UNC.

**Nature and Purpose of Proposal (including consequence of non implementation)**

This Proposal seeks to revise the timetable for tendering for interruption rights to better fit the timescales for applying for NTS Exit Capacity. Presently the revised interruption arrangements to be implemented on 1 April 2008 stipulate that the annual tender for interruption rights shall take place in June each year with Interruption requirements being published not less than 28 days earlier and results being published not later than 28 days after the tender. These timescales allow little time for analysis and application for NTS exit capacity which under the present arrangements has to be completed before the end of July. This proposal seeks to alter the timing of the annual tender for interruptible rights such that the results are published at the end of July each year. This would allow a better fit with the timescales for the application of NTS Exit Capacity.

Under the proposal it is anticipated that the schedule for 2008 annual tender for interruptible rights would be:

May 1	Publish Interruption requirements
June 2	Bid Window opens
June 12	Bid Window closes
End July	Notification of tender results
End July	Submit NTS Exit Capacity Request

**Basis upon which the Proposer considers that it will better facilitate the achievement of the Relevant Objectives, specified in Standard Special Condition A11.1 & 2 of the Gas Transporters Licence**

The Proposer considers that this Proposal would, if implemented, better facilitate the following Relevant Objectives as set out in their Gas Transporter Licences:

- in respect of paragraphs A11.1(a), implementation of this Proposal would better enable DNs to determine their interruption and capacity requirements that they need to meet their 1 in 20 licence obligation. This would allow the DNs to make informed decisions about investment in their networks and would better facilitate the efficient and economic operation of the DNs.
- in respect of paragraph A11.1(b), implementation of this Proposal would better facilitate the co-ordinated, efficient and economic operation of the combined pipeline system by enabling DNs to request efficient levels of capacity from NTS.

**Any further information (Optional), likely impact on systems, processes or procedures, Proposer's view on implementation timescales and suggested text**

**a. Proposed implementation timetable**

The Proposer believes the following timetable should be adopted:

Draft Modification Proposal Raised	
Present to Workstreams	23/08/2007 and 6/09/07
Modification Panel agree consultation timetable	20/09/2007
DMR issued for consultation	27/09/2007
Close out of representations (15 days)	18/10/2007
FMR issued to Joint Office (15 days)	08/11/2007
Modification Panel decide upon recommendation	15/11/2007
Ofgem decision expected	01/12/2007

**b. Proposed legal text**

Legal text to be appended to the Proposal.

**c. Advantages of the Proposal**

The Proposer believes that implementation of this Proposal:

- would better enable DNs to carry out analysis to enable more economic and efficient trade-offs between interruption and investment in DN networks and procuring NTS capacity

**d. Disadvantages of the Proposal**

The Proposer does not believe that there are any disadvantages of the Proposal. An earlier draft of this proposal (discussed at the Distribution Workstream on 23/08/07) proposed that the tender timescales be brought forward whilst allowing a more relaxed timescale for notification of results of the tender. Users felt that that proposal compressed timescales unnecessarily and impacted on the supplier contract round in April. This latest

proposal was presented at the Transmission workstream on 06/09/07 and addresses these concerns.

**e. The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation**

The Proposer does not believe this Proposal, if implemented, would adversely impact security of supply, operation of the Total System, or industry fragmentation.

**f. The implication for Transporters and each Transporter of implementing the Modification Proposal, including**

**i. implications for operation of the System**

The Proposer does not believe this Proposal, if implemented, would adversely affect the operation of the System.

**ii. development and capital cost and operating cost implications**

The Proposer believes this Proposal, if implemented, would not have any capital cost or operating cost implications.

**iii. extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs**

The Proposer does not believe there are any additional costs of implementing this proposal.

**iv. analysis of the consequences (if any) this proposal would have on price regulation**

The Proposer does not believe this Proposal, if implemented, would have any consequences on price regulation.

**g. The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal**

The Proposer believes that implementation of the Proposal would reduce the contractual risk that the DNs would be exposed by allowing the DNs the opportunity to better determine the capacity rights that they require. The NTS Transporter should not be affected by this Proposal.

**h. The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users**

The UK-Link systems should not be affected by this Proposal over and above those changes required by the implementation of Modification Proposal 0090. xoserve, as system service provider, are aware of the proposed new timings.

**i. The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk**

Nothing has been brought to the attention of the Proposer to suggest that Users would incur additional costs or risks under the Uniform Network Code as a result of implementing the Proposal.

**Code Concerned, sections and paragraphs**

UNC The Principal Document, Section G

**Proposer's Representative**

Phil Lawton (National Grid Gas Distribution)

**Proposer**

Mark Freeman (National Grid Gas Distribution)

**Signature**

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