

24th April 2006

Transportation Network Code Proposed Modification 3 Alternative Proposed Modification

1. Introduction

BGE(NI) Transmission (“the Transporter”) issued the Initial Modification Report for Proposed Modification 3 on the 8th March 2006. The Consultation Period for the Initial Modification Report ended on the 6th April 2006. Following the Consultation Period, and as a result of representations made to the Transporter, it is the opinion of the Transporter that amendments should be made to the Proposed Modification and the Transporter has therefore prepared this Alternative Proposed Modification in accordance with Section 8 of the BGE(Northern Ireland) Transportation Network Code Modification Rules.

2. Representations made to the Transporter regarding Proposed Modification 3.

The Transporter received two representations from Centrica, firstly on the Proposed Modification and secondly on the Initial Modification Report. With regard to the Proposed Modification (circulated on 8th February 2006), Centrica were of the opinion that the modification as proposed by Firmus was unclear and requested further information as to how the proposed modification would affect the current regime. In the Initial Modification Report (circulated on 8th March 2006) the Transporter suggested that the Proposed Modification could not be accommodated as proposed and suggested an alternative method of addressing the concerns of the proposer. In its response to the Initial Modification Report Centrica suggested that the Transporters proposal was sufficiently removed from the original that it be treated as a new modification.

The Transporter is circulating this Alternative Proposed Modification, as contemplated by Section 8 of the Code Modification Rules, in response to the representations received.

3. Alternative Proposed Modification proposed by

BGE(NI) Transmission

4. Alternative Proposed Modification

The Alternative Proposed Modification is to modify Part 4 (Balancing and Scheduling Charges) of the BGE(Northern Ireland) Transportation Network Code in order to enable a Shipper in certain circumstances to make an application to the Transporter to review an instance where a Shippers Entry Allocation at Carrickfergus differs significantly from their nomination. The Transporter shall use reasonable endeavours to establish the reason for the variation and if the Transporter determines that the

variation was not attributable to the behaviour of the Shipper making the application, the Transporter may increase the Shippers balancing tolerance for the Day in question to such other value as determined by the Transporter. The Transporter suggests that there may be merit in having any such variation of the Shipper balancing tolerance approved by NIAER and would welcome comment on this suggestion.

In preparing this alternative proposal the Transporter has taken into account the discussions with NIAER and the other NI DPOs on streamlining the transportation arrangements on the postalised network in NI.

The Transporter, in response to the proposers request to make the modification retroactive, proposes to suspend the clearing of the NWP disbursement account from the date the original modification was proposed (1st February 2006) until the resolution of this Code Modification.

This Alternative Proposed Modification is available on the BGE(NI) website at www.bordgais.ie/htm/transportation/index.htm

5. Proposed Text amending the Code

The Transporter proposes the insertion of a new clause 4.2.3 in Section 4.2 (Exit Point Tolerance) of the BGE(Northern Ireland) Transportation Network Code, as follows:

“If a Shippers Positive Balance, or Negative Balance, in respect of a Day exceeds such Shippers applicable Exit Point Tolerance, the Shipper may request the Transporter to determine the reason for such excess and the Transporter shall use reasonable endeavours to determine the reason therefor.

If the Transporter determines that such excess was not attributable in whole or in part to any act, default or omission of the Shipper the Shipper’s Exit Point Tolerance in respect of the Day shall be increased to the extent the Transporter considers appropriate such that the amount of the charge payable by or to such Shipper in respect of the excess (or that part of the excess) which was not attributable to any act, fault or omission of the Shipper shall be calculated at the Daily Gas Price”.

6. Impact on other DPO’s Network Codes

The Transporter has considered the impact on PTL’s Code and while a similar issues may arise on the SNIP/PTP it is the Transporters understanding that individual Shippers on SNIP/PTP are less likely to be disadvantaged as the entry point allocations for the PTL Code are provided by the Moffat Agent.

7. Proposed Implementation Date

The original modification proposal requested an implementation date of the 1st January 2006, i.e. a retroactive implementation. BGE(NI) Transmission proposes that

this modification will be applied with respect to Positive Balances or Negative Balances (as the case may be) which arise subsequent to 1st January 2006.

8. Consultation Period for Alternative Proposed Modification

Comments are invited on this alternative modification proposal on or before 9th May 2006.