

22/08/2002

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0535**

"Reconciliation of NTS Supply Points after Close-Out"

Please note that Modification Proposal No 0535 was implemented with effect from 06:00 hours on 23/08/2002. The Final Modification Report, Version 1.0, was signed by Ofgem on 22/08/2002.

The new Network Code text resulting from this Modification follows.

Modified Text:

Draft Legal Text:

SECTION F: SYSTEM CLEARING, BALANCING CHARGES AND NEUTRALITY

Amend paragraph 4.5.3(a) to read as follows:

"

(iv); and

(v) (1);

(2)in month m."

Delete paragraph 4.5.3(b)(v).

Amend paragraph 5.1.2 to read as follows:

" Without prejudice to Section N4.5, for the purposes of such System Clearing Contract....

SECTION N: SHRINKAGE

At paragraph 4.5 delete 'Not Used' add text to read as follows:

"4.5 **Reconciliation**

Where following DM Reconciliation and CSEP Reconciliation in respect of a NTS Supply Meter Point or NTS Connected System Exit Point:

- (a) where, for the purposes of Section F5.1.1, the Reconciliation Quantity:
 - (i) is positive, the seller is the User and the buyer is the Shrinkage Provider;
 - (ii) is negative, the seller is the Shrinkage Provider and the buyer is the User; and
- (b) the Reconciliation Clearing Charges are payable:
 - (i) to the User, they shall be payable by the Shrinkage Provider;
 - (ii) by the User, they shall be payable to the Shrinkage Provider."

Yours sincerely,

Julian Majdanski
Modification Panel Secretary