

19/08/2002

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0504**

"Top up Process Enhancements"

Please note that Modification Proposal No 0504 will be implemented with effect from 06:00 hours on 20/08/2002. The Final Modification Report, Version 5.0, was signed by Ofgem on 16/08/2002.

The new Network Code text resulting from this Modification follows.

Modified Text:

SECTION P: TOP-UP STORAGE

In paragraph 1.4.3 replace all references to "Maximum Storage Duration" with "Total Storage Duration".

In paragraph 2.1.1 replace "30th April in the Preceding Storage Year" with "31st May in the relevant Storage Year".

In paragraph 2.2.1 replace "15th April in the preceding Storage Year" with "31st May in the relevant Storage Year".

In paragraph 2.2.2(i) replace "15th April in the Preceding Storage Year" with "1st May in the relevant Storage Year".

Amend paragraph 2.2.4 as follows:

"... of gas being withdrawn during the Winter Period from Storage Facilities of each type. In so allocating or reallocating the Aggregate Remaining Stored Gas Requirement between each Storage Facility Type the Top-up Manager may have regard to any relevant specific characteristics of each Storage Facility within each such Storage Facility Type".

Amend paragraph 2.3.1 as follows:

“Subject to paragraphs 2.3.2 and 2.4.2 the Top-up Manager will (by means of one or more applications) as soon as practicable following the start of the Storage Year (but not before), no earlier than the start of the Storage Year and no later than 31st October in the Storage Year, apply for and . . .”

Amend paragraph 2.3.2 as follows:

“In the event that at the date of the a Top-up Manager’s application: . . .”

Amend paragraph 2.3.4 as follows:

“Where following the Transco LNG Invitation Close Date and after the date when the Top-up Manager has made an application applies for Storage Capacity . . .”

At the end of paragraph 2.4.1 insert the following:

“In making such determinations the Top-up Manager may have regard to any relevant specific characteristics of each Storage Facility”.

Amend paragraph 2.6.1 as follows:

“The Top-up Manager will not later than ~~31st May~~ 31st October in the Storage Year: . . .”

Amend paragraph 3.2.2(i) as follows:

“a relevant Day is one Day each week from ~~1st May~~ 1st July until the last Day of the Applicable Injection Period ~~or 1st December, which ever is the earlier~~, or for so long . . .”

Amend paragraph 3.2.2(iii) as follows:

“PID is the number of ~~Programmed Injection~~ programmed injection Days remaining (starting with the day after the review day and ending on the last Day of the Applicable Injection Period ~~or 1st December, which ever is the earlier~~); and . . .”

Amend paragraph 3.4.1 as follows:

“Subject to paragraphs 3.4.6 and 3.4.7, the Top-up Manager will . . .”

Amend paragraph 3.4.3 as follows:

“Subject to paragraphs 3.4.7 and 3.7, . . .

Insert a new paragraph 3.4.7 as follows:

“Notwithstanding any of the foregoing provisions of this paragraph 3.4, at any time between 1 February and 31 March in a Storage Year, the Winter Top-up Injection Requirement and the Aggregate Winter Top-up Injection Requirement may be reduced in respect of any Day by the Top-Up Manager by such amount as shall be determined by the Top-up Manager having regard to information available to it of Forecast Total System Demand and maximum daily supply for the System over the following five Days”

Amend paragraph 4.2.4 by inserting a new sub-paragraph (iii) as follows:

“(iii) the ratio of Storage Space to Storage Deliverability for the Top-up Storage Transfer must be the same as the ratio of Storage Space to Storage Deliverability then held by the Top-up Manager at the relevant Storage Facility”.

Amend paragraph 5.2.1 as follows:

“Subject to paragraph 5.2.3, the Top-up Manager will (in respect of any Day for which, at any time, Forecast Total System Demand exceeds 85% of System 1-in-20 peak day demand) and may (in respect of every other Day) make a Top-up Market Offer in relation to each Top-up Storage Facility for each that Day . . .”

Amend paragraph 5.3 as follows:

“ . . . or 99.9999 pence/kWh whichever is the lesser:

$$\text{TMOP} = W + G + E + N \times (D/d + S)$$
$$\text{TMOP} = W + G + E + N \times (C/T)$$

Where

W is the unit rate (in pence/kWh) of the Storage Withdrawal Charge in respect of withdrawal from the facility on the Gas Flow Day;

E is the unit rate (in pence/kWh) of the System Entry Overrun Charge determined in accordance with Section B 2.12.3(b) for the relevant Storage Connection Point~~;in respect of System Entry Capacity at the Storage Connection Point on the Gas Flow Day;~~

G is the Top-up WACOG;

N is 20;

C is the total cost (in pence) to the Top-up Manager at the date of the Top-up Market Offer for all Storage Capacity purchased by it in respect of the Storage Year for the facility; and

T is the total quantity (in kWh) of Storage Space purchased by the Top-up Manager at the date of the Top-up Market Offer in respect of the Storage Year for the facility.

For the purposes of calculating C and T, no account shall be taken of any surrender or other disposal of Storage Capacity by the Top-up Manager (or the proceeds therefrom) in respect of the Storage Year.

~~D is the unit rate (in pence/kWh/Day) of the annual Storage Deliverability Charge in respect of the facility for the Storage Year;~~

~~d is the number of Days obtained by dividing the Top-up Manager's Available Storage Space by the Top-up Manager's Available Storage Deliverability in the facility as at 30th November in the Storage Year;~~

~~S is the unit rate (in pence/kWh) of the annual Storage Space Charge in respect of the facility for the Storage Year.~~

Yours sincerely,

Julian Majdanski
Modification Panel Secretary