

16/10/2001

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0474**

"Revision to Indebtedness Cash-Call Trigger"

Please note that Modification Proposal No 0474 was implemented with effect from 06:00 hours on 01/12/2001. The Final Modification Report, Version 2.0, was signed by Ofgem on 16/10/2001.

The new Network Code text resulting from this Modification follows.

Modified Text:

NETWORK CODE SUPPLEMENT: ENERGY BALANCING CREDIT MANAGEMENT

The new Network Code text resulting from this Modification follows

Amend paragraph 2.5.2 to read as follows:

"....

- (c) **"Anticipated Balancing Indebtedness"** for each User is an amount calculated, in respect of all Days in the relevant period (each such day ('i')), in accordance with the following formula:

$$ABI = \sum_{i=d-n}^{d-1} \left(ADSAP_i * \sum_{j=i-n-9}^{i-n} \frac{DI_j}{10} \right)$$

where:

ABI is the Anticipated Balancing Indebtedness;

ADSAP_i is the Adjusted System Average Price for a Day, 'i', being any Day falling during the relevant period, which shall be the System Average Price for that Day 'i'; except where either:

- (i) the SAP the Day 'i', is greater than the mean of the SAPs for the previous 10 days plus 1.96 times the standard deviation of the SAPs for the previous 10 days ("the Upper Limit"), in which case the ADSAP shall be equal to the Upper Limit; or
- (ii) SAP the Day 'i', is less than the mean of the SAPs for the previous 10 days minus 1.96 times the standard deviation of the SAPs for the previous 10 days ("the Lower Limit"), in which case the ADSAP shall be equal to the Lower Limit.

D_i is the User's Daily Imbalance for the Day 'j' falling during the Imbalance Period (being a positive or (as the case may be) negative amount in accordance with Section E5.1.2),

d is the relevant Day

n is the number of days in the relevant period,

"relevant period" is the period from (and including) the 7th Business Day preceding the relevant Day, d, until (and including) the Day preceding the relevant Day ('d-1');

"Imbalance Period" is the period from and including nine Days preceding the day 'i-n' until (and including) the day 'i-n'

(d) **"Outstanding Relevant Balancing Indebtedness"** for each User means (subject to paragraph (fg)) the sum of:

- (i) the net aggregate....
- (ii) the Net Invoice Amounts....
- (iii) the Net Invoice Amounts....
- (iv) the User's Anticipated Balancing Indebtedness,

less the amount (excluding any interest earned thereon) of any Cash Call which has been paid by the User and not for the time being applied in or towards payment of any Invoice Amount under paragraph 2.8;

(e) the **"calculation Day"** is the Day on which Transco makes the calculation under paragraph 2.5.1;

(f) for the purposes of paragraph (ed)(i) the **"Uninvoiced Period"** is the period from the first Day of the earliest Billing Period in respect of which no Energy Balancing Invoice has been submitted to the User up to and including the relevant Day;

(g) in determining the amount of a User's Outstanding Relevant Balancing Indebtedness, Transco will make an appropriate allowance for any material unpaid amount which may be payable to the User pursuant to Section F1.4;

(h) in determining Outstanding Relevant Balancing Indebtedness, amounts payable by the User shall be positive, and amounts payable to the User shall be negative; and where Outstanding Relevant Balancing Indebtedness would otherwise be negative it shall be deemed (for the purposes of this Supplement only) to be zero.

Amend paragraph 2.5.3 to read as follows:

"The Relevant Balancing Charges and a User's Anticipated Balancing Indebtedness will be calculated....".

Amend paragraph 2.5.4 to read as follows:

"....

(i)the calculation of Relevant Balancing Charges and a User's Anticipated Balancing Indebtedness will disregard....".

Yours sincerely,

Julian Majdanski
Modification Panel Secretary