

29 September 1999

Dear Colleague,

NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0359
"Revision of Entry Capacity Revenue Neutrality Apportionment and Transition
Measures for Daily Transactions"

Please note that The Final Modification Report, Version 1.0 was signed by OFGEM on 29 September 1999 for Modification Proposal No: 0359.

With effect from 06.00 hours on 30 September 1999, the new Network Code text resulting from this Modification is detailed below.

Modified Text:

Section B: System Use And Capacity

Amend Paragraph 2.11.5 to read as follows:

"2.11.5 In relation to:

each Aggregate System Entry Point and each calendar month, Transco shall pay to each relevant User an amount ("**ASEP Capacity Revenue Neutrality Charge**") determined as:

Where one or more User's hold Registered Monthly System Entry Capacity at the Aggregate System Entry Point in relation to that calendar month:

$$\text{CIR} * \text{URC} / \text{ARC}$$

where:

CIR are the Capacity Incentive Revenues,

URC is the User's Registered Monthly System Entry Capacity,

ARC is the aggregate of all Users' Registered Monthly System Entry Capacity,

for that Aggregate System Entry Point in relation to that calendar month;

Where no User holds Registered Monthly System Entry Capacity at the Aggregate System Entry Point in relation to that calendar month:

$$\text{CIR} * \text{AURC} / \text{AARC}$$

where:

CIR are the Capacity Incentive Revenues,

AURC is the aggregate of the User's Registered Monthly System Entry Capacity,

AARC is the aggregate of all Users' Registered Monthly System Entry Capacity,

for all Aggregate System Entry Points in relation to that calendar month;

each calendar month each relevant User shall pay to Transco an amount ("**Capacity Cost Neutrality Charge**") determined as:

$$\text{CIC} * \text{AURC} / \text{AARC}$$

where:

CIC are the Capacity Incentive Costs,

and 'AURC' and 'AARC' have the meanings in paragraph 2.5.11 (a)(ii),

for all Aggregate System Entry Points in relation to that calendar month."

Amend paragraph 2.6.11 as follows:

“..... have the meanings in paragraph 2.5.11 (a)(ii).”

[TRANSITION DOCUMENT PART II]

Delete all text in paragraph 8.1 and replace with the following:

On the day prior to the implementation of Code Modification 0314 Transco and Users may, for the purposes of giving effect to such Code Modification, do such things and take such steps as are contemplated by such Code Modification in respect of the making of applications for, and the allocation of, Daily System Entry Capacity and Interruptible System Entry Capacity and the making of offers for, and the acceptance of such offers, the surrender of Monthly System Entry Capacity in each case in respect of the Day on which such Code Modification first has effect and each of the five following Days.”]

Yours sincerely

Julian Majdanski
Modification Panel Secretary