Transco

24th December 1998

Network Code Development

31 Homer Road
Solihull
West Midlands B91 3LT

Telephone 0121 626 4431
Direct Line 0121 623 2021
Fax 0121 711 1451

To: Shippers, Panel Members & Non-Network Code Parties

Dear Colleague,

NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0303
"Increased Availability of NTS Daily Entry Secondary System Capacity"

Please note that The Final Modification Report , Version 1.0 was signed by Ofgas on *23/12/98* for Modification Proposal No:0303.

With effect from 06.00 hours on *4th January 1999*, the new Network Code text resulting from this Modification is detailed below.

Modified Text:

21.   Text:

Section B2 : SYSTEM ENTRY CAPACITY

Paragraph 2.2.15(ii)

Delete the words:

"all such identically priced applications shall be rejected by Transco"

and replace with:

"the amount of Daily System Entry Capacity which shall be allocated to each such identically priced applicant by Transco shall be determined, on a pro-rata basis, in accordance with the following formula:-

$$\frac{ADSEC}{AAA} \times AA$$

where   ADSEC is the Daily System Entry Capacity which is available for

               allocation;

               AAA is the aggregate amount of all identically priced applications;

               AA is the maximum amount applied for by such applicant;

Except that any application shall be excluded from such pro-rata process if
the resulting amount to be allocated to such applicant is less than its
minimum requirement referred to in paragraph 2.2.12(a)."

Paragraph 2.2.22(ii)

Delete the words:

"all such identically priced applications shall be rejected by Transco"

and replace with:

"the amount of Secondary System Entry Capacity which shall be allocated to
each such identically priced applicant by Transco shall be determined, on a
pro-rata basis, in accordance with the following formula:

$$\frac{ASSEC}{AAA} \quad x \quad AA$$

where ASSEC is the Secondary System Entry Capacity which is
available for allocation;

AAA is the aggregate amount of all identically priced applications;

AA is the maximum amount applied for by such applicants;

Except that any application shall be excluded from such pro-rata process if the resulting amount to be allocated to such applicant is less that its minimum requirement referred to in paragraph 2.2.19(a).

Paragraph 2.7.2

Delete and replace with:

"2.7.2 Transco will cancel all or part of a User's Registered Secondary System Entry Capacity (**"scaling back"**) in reverse order of offer price (cheapest first) to the point where Registered Secondary System Entry Capacity is less than or equal to the available Secondary System Entry Capacity (calculated in accordance with paragraph 2.2.22(i)) by scaling back bids in whole or part (on a pro-rata basis where there is more than one bid) and where allocations have been made pursuant to identically priced bids by scaling back all such allocations on a pro-rata basis."

Yours sincerely

pp.

Julian Majdanski.