

12 November 1999

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

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0363
"Capacity Transfers to ASEPS Without Monthly System Entry Capacity"**

Please note that The Final Modification Report, Version 1.0 was signed by Ofgem on 12 November 1999, for Modification Proposal No: 0363.

With effect from 06.00 hours on 1 December 1999, the new Network Code text resulting from this Modification is detailed below.

Modified legal text

TRANSITION DOCUMENT PART II, PARAGRAPH 8

Section B: System Use and Capacity

Renumber existing paragraph B2 as B2 (1) (and indent) and add new text as follows:

- “(2) Subject to paragraphs (3) to (9) (inclusive), for the calendar months December 1999, January, February and March 2000, where a User offers to surrender Monthly System Entry Capacity for each Day in any such month at a Capacity Surrender ASEP the User shall be allocated a corresponding amount of Daily System Entry Capacity for each Day in such month in respect of an Eligible Capacity Transfer ASEP (being that specified by the User where there is more than one) being such Aggregate System Entry Point(s) identified in the table below.

Capacity Surrender ASEP	Eligible Capacity Transfer ASEP
Bacton	Wytch Farm, Avonmouth LNG Storage Facility and Dynevor Arms LNG Storage Facility
Barrow	Burton Point and Partington LNG Storage Facility
Easington	Hornsea Storage Facility and Hatfield Moor Storage Facility
St Fergus	Glenmavis LNG Storage Facility
Teesside	Hornsea Storage Facility and Hatfield Moor Storage Facility
Theddlethorpe	Hornsea Storage Facility and Hatfield Moor Storage Facility

- (3) The maximum amount of System Entry Capacity which can be allocated to Users at an Eligible Capacity Transfer ASEP in each of the relevant calendar months pursuant to paragraph (2) (“**maximum capacity transfer amount**”) shall be notified to Users by not later than 19 November 1999.
- (4) An offer (“**capacity transfer offer**”) to surrender Monthly System Entry Capacity pursuant to paragraph (2):
- (a) shall specify:
- (i) the identity of the User;
 - (ii) the Capacity Surrender ASEP;
 - (iii) an Eligible Capacity Transfer ASEP;
 - (iv) the calendar month, for each day of which, System Entry Capacity is offered for surrender (“**capacity transfer month**”);
 - (v) the amount of System Entry Capacity offered for surrender for each day of the relevant calendar month (“**capacity surrender amount**”);
 - (vi) the minimum amount (not less than minimum eligible amount) of System Entry Capacity which the User is willing to have accepted if paragraph (7)(a) applies;

- (b) may not be submitted later than the third Business Day prior to the start of the relevant calendar month (and may be withdrawn at any time before, but not after the time at which Transco approves the capacity transfer offer).
- (5) Transco will reject a capacity transfer offer where any requirement of paragraph (4) is not complied with and may reject such an offer where the amount of System Entry Capacity offered for surrender exceeds the amount of the User's Available Monthly System Entry Capacity (determined by reference to System Capacity Transfers which have at the relevant time become effective pursuant to Section B5.2.4 and any capacity transfer offers submitted in respect of the relevant month and Capacity Transfer by the User and approved).
- (6) Subject to paragraph (5), a capacity transfer offer will be approved where the sum of the capacity transfer amount thereunder and the aggregate of the capacity transfer amount for all approved capacity transfer offers in respect of the relevant Eligible Capacity Transfer ASEP and relevant calendar month is less than or equal to the relevant maximum capacity transfer amount and Transco shall notify the User as soon as reasonably practicable of such approval.
- (7) Where the capacity transfer amount when added to the aggregate of the capacity transfer amount for all approved capacity transfer offers in respect of the relevant Eligible Capacity Transfer ASEP and relevant calendar month exceeds the amount ("**remaining transfer amount**") of the maximum capacity transfer amount remaining available for allocation, the capacity transfer offer will:
 - (a) be approved for the remaining transfer amount subject to such amount exceeding the amount specified under paragraph (4)(a)(vi);
 - (b) where paragraph (a) does not apply, Transco will reject the capacity transfer offer.
- (8) Where in respect of a calendar month and an Eligible Capacity Transfer ASEP Transco has approved capacity transfer offers for an amount equal to the maximum capacity transfer amount Transco shall promptly notify all Users.
- (9) Where a User makes a capacity transfer offer the User:
 - (a) shall be deemed for the purposes of Section B2.7 to have submitted a daily capacity offer in respect of the Capacity Surrender ASEP, for the capacity surrender amount in respect of which the offer price is zero pence/kWh/Day;
 - (b) shall, without prejudice to any later application for Daily System Entry Capacity pursuant to Section B2.5 for the Eligible Capacity Transfer ASEP, be allocated Daily System Entry Capacity at the relevant Eligible Capacity Transfer ASEP for each day in the relevant calendar

month in an amount equal to the capacity surrender amount referred to in paragraph (a) for which the Applicable Daily Rate shall be zero pence/kWh/Day.

- (10) In relation to the period referred to in paragraph (2):
- (a) for the purposes of Section B, all references to a User's Available System Entry Capacity in relation to a Capacity Surrender ASEP and an Eligible Capacity Transfer ASEP shall take into account the surrender of Monthly System Entry Capacity and allocation of Daily System Entry;
 - (b) in relation to a Capacity Transfer ASEP for the purposes of:
 - (i) Section B2.5.10(b), the Aggregate Registered Monthly Capacity;
 - (ii) Section B2.6.10(c)(ii), the Aggregate Firm Registered Capacityshall be deemed to be reduced by an amount equivalent to that amount of Monthly System Entry Capacity surrendered at such Aggregate System Entry Point

in accordance with paragraphs (2) to (9) (inclusive).”

Yours sincerely

Julian Majdanski

Modification Panel Secretary