

1 March 2000

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

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0371
"Shipper Determination of Entry Capacity Profiles"**

Please note that The Final Modification Report, Version 1.0 was signed by Ofgem on 28 February for Modification Proposal No: 0371

With immediate effect the new Network Code text resulting from this Modification is detailed below.

NB For application in auctions of MSEC for the period April to October to be held in March.

Modified Text:

SECTION B: SYSTEM USE AND CAPACITY

Add new paragraphs 2.1.5 (h) and (i) to read as follows:

- “(h) the “**Actual Outstanding System Entry Capacity**” for any Aggregate System Entry Point in relation to any calendar month is an amount of System Entry Capacity equal to the amount by which the Determined System Entry Capacity exceeds the Monthly System Entry Capacity for the time being held by Users in aggregate;
- (i) the “**Aggregate Actual Outstanding System Entry Capacity**” in relation to any calendar month is an amount of System Entry Capacity equal to the aggregate of the Actual Outstanding System Entry Capacity at all Aggregate System Entry Points.”.

Amend paragraph 2.3.2 (a) as follows:

“the five dates (“**invitation dates**”, each of which shall be a Business Day) on which ...”

Amend paragraph 2.3.2 (b) as follows:

“(b) in respect of:

- (i) each of the first four invitation dates and each Aggregate System Entry Point, the Available Monthly Capacity (being an equal amount for each such date);

- (ii) on the fifth invitation date for each Aggregate System Entry Point, the Aggregate Actual Outstanding System Entry Capacity (if any) and the Residual System Entry Capacity.”

Amend paragraph 2.3.3 to read as follows:

“Users may apply for Monthly System Entry Capacity in respect of an Aggregate System Entry Point for a calendar month in the Gas Year on:

- (a) each of the first four invitation dates;
- (b) subject to there being Aggregate Actual Outstanding System Entry Capacity, on the fifth invitation date

in accordance with this paragraph 2.3.”

Amend paragraph 2.3.4 (a)(iv) as follows:

“...applied for (in kWh/Day);”

Amend paragraph 2.3.5 to read as follows:

“On each invitation date a User may have, at any one time, up to but not more than 20 monthly capacity bids in respect of a particular Aggregate System Entry Point for each calendar month in the Gas Year capable of acceptance in accordance with this paragraph 2.3.”

Insert new paragraph 2.3.7 (a) and renumber existing paragraphs (a) to (e) and references thereto in the same paragraph, (i) to (v) accordingly:

“For each calendar month in the Gas Year:

- (a) in respect of each Aggregate System Entry Point, Monthly System Entry Capacity will be allocated pursuant to monthly capacity bids submitted, on each of the first four invitation dates as follows:”

Insert a new paragraph 2.3.7 (b):

“(b) in respect of all Aggregate System Entry Points (including those Aggregate System Points in respect of which the Determined System Entry Capacity is zero), Monthly System Entry Capacity will be allocated pursuant to monthly capacity bids submitted on the fifth invitation date in accordance with paragraph 2.3.7(a) except that:

- (i) in ranking the monthly capacity bids no account will be taken of the Aggregate System Entry Point for which the bid is made;
- (ii) Monthly System Entry Capacity will be allocated:
 - (1) without prejudice to paragraph (2), in respect of an Aggregate System Entry Point, until (taking into account the amount of Monthly System Entry Capacity for the time being held by

Users in aggregate) the amount of Monthly System Entry Capacity, in aggregate for which bids are accepted, equals (or falls short by no more than the minimum eligible amount of) an amount of System Entry Capacity equal to the Maximum System Entry Capacity;

- (2) in respect of all Aggregate System Entry Points, until the amount of Monthly System Entry Capacity in aggregate for which bids are accepted, equals (or falls short by no more than the minimum eligible amount of) an amount of System Entry Capacity equal to the Aggregate Actual Outstanding System Entry Capacity;
- (iii) for the purposes of paragraph 2.3.7(a)(iii), the reference to Available Monthly Capacity will be treated for the purposes of
 - (1) paragraph 2.3.7(b)(ii)(1), as a reference to the Maximum System Entry Capacity;
 - (2) paragraph 2.3.7(b)(ii)(2), as a reference to the Aggregate Actual Outstanding System Entry Capacity.”

Amend paragraph 2.3.10 to read as follows:

“...and in addition Transco will notify all Users of:

- (a) the highest and lowest bid price in respect of a bid for Monthly System Entry Capacity was allocated; and
- (b) the weighted average price in respect of bids for Monthly System Entry Capacity was allocated (in pence/kWh) calculated as:

where:

n is the number of successful bids;

Q is the amount of Monthly System Entry Capacity allocated to each successful bid;

P is the bid price of each successful bid.

Amend paragraph 2.3.13 (b) as follows:

“...monthly capacity bids on the first four invitation dates; and the aggregate of the Available Monthly Capacity in relation to the first four invitation dates in respect of an Aggregate System Entry Point will be the Determined System Entry Capacity...”

Insert new paragraphs 2.3.13 (c),(d) and (e) as follows:

“(c) the “**Maximum System Entry Capacity**” for any Aggregate System Entry Point in relation to any calendar month, is an amount of System Entry Capacity equal to the lesser of:

(i) Maximum System Capacity; and

(ii) the greater of:

(1) 110% of the Determined System Entry Capacity; and

(2) the ASEP Absolute Capacity

for such Aggregate System Entry Capacity Point as set out in the Transportation Statement;

(d) the “**Residual System Entry Capacity**” for any Aggregate System Entry Point in relation to any calendar month is an amount of System Entry Capacity (if any) by which the Determined System Entry Capacity exceeds, after the allocation of System Entry Capacity following applications made on the first four invitation dates, the Monthly System Entry Capacity held by all Users in aggregate; and

(e) the “**ASEP Absolute Capacity**” for any Aggregate System Entry Point in relation to any calendar month is an amount of System Entry Capacity equal to:

$$PR * (AC / HC)$$

where:

PR has the meaning given in paragraph 2.2.4;

AC is the Aggregate Estimated System Entry Capacity for the calendar month; and

HC is the highest Aggregate Estimated System Entry Capacity for a calendar month in the Gas Year in which the calendar month falls.

Amend paragraph 2.4.1 as follows:

“...is less than the Maximum System Entry Capacity...until such time as there is no longer any Outstanding Notional System Entry Capacity.”

Amend paragraph 2.4.2 as follows:

“...the “**Outstanding Notional System Entry Capacity**” for any calendar month and in relation to any Aggregate System Entry Point is the amount (if any) by which the Maximum System Entry Capacity exceeds ...”

Amend paragraph 2.4.3(a)(iv) as follows:

“...applied for (in kWh/Day),”

Amend paragraph 2.4.6 as follows:

“...the Outstanding Notional System Entry Capacity or the Aggregate Actual Outstanding System Entry Capacity is less than the minimum eligible amount, Transco will not accept any (or any further) applications for Monthly System Entry Capacity (in respect of the relevant calendar month) at the relevant Aggregate System Entry Point and where the Aggregate Actual Outstanding System Entry Capacity is less than the minimum eligible amount (in respect of the relevant calendar month) Transco will not accept any further applications for Monthly System Entry Capacity at any Aggregate System Entry Point under this paragraph 2.4.”

Delete existing text at paragraph 2.4.7 and insert text as follows:

“Subject to paragraph 2.4.6, where under any application the amount of Monthly System Entry Capacity applied for is greater than the lesser of:

- (a) the Outstanding Notional System Entry Capacity at the relevant Aggregate System Entry Point; or
- (b) at the time application is made, the Aggregate Actual Outstanding System Entry Capacity

the User will be allocated an amount equal to the lesser of the Outstanding Notional System Entry Capacity and the Aggregate Actual System Entry Capacity unless the minimum amount specified pursuant to paragraph 2.4.3(a)(v) exceeds such amount of System Entry Capacity, in which case the application will be disregarded (and of no effect) and the next application will be considered.”

Amend paragraph 2.4.9 as follows:

“...calendar month in the amount allocated or applied for pursuant to paragraph 2.4.7 and/or 2.4.8.”.

Yours sincerely

Julian Majdanski
Modification Panel Secretary