01/11/2000

Dear Colleague,

NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0428

"Optional LDZ Tariff"

Please note that Modification Proposal No 0428 was implemented with effect from 06:00 hours on 01/11/2000. The Final Modification Report, Version 4.0, was signed by Ofgem on 01/11/2000.

The new Network Code text resulting from this Modification follows.

Modified Text:

Section B
Paragraph 1.8.5
Renumber existing sub paragraph (ii) to (iii) and sub paragraph (iii) to (iv)

Insert new paragraph 1.8.5(ii) to read:

"(ii) for the purposes of paragraph 4.6.2, the Applicable Daily Rate and Applicable Annual Rate may be the rate determined in accordance with the Transportation Statement by reference to the distance between the LDZ Specified Exit Point and the Notional NTS Connection Point and the capacity of the LDZ Specified Exit Point determined in accordance with Paragraph 4.6.9, (the "LDZ Optional Capacity Rate"); "

Paragraph 4.6
Insert new paragraph 4.6.9 to read:

"4.6.9 Pursuant to the prevailing Transportation Statement, a User may elect that, for the purpose of paragraph 4.6.2, the Applicable Daily Rate of the LDZ Capacity Charge in respect of an LDZ Specified Exit Point shall be the LDZ Optional Capacity Rate, determined in accordance with the following provisions.

(i) For the purpose of Code:

(a) a "Notional NTS Connection Point" is the point on the NTS which is derived by Transco in accordance with paragraph 4.6.10. and in the case of a Supply Point, identified by Transco in its Supply Point Offer in accordance with Section G2.4.2(l) or, in the case of a CSEP, the point identified by Transco in accordance with paragraph (vi);]

(b) an "LDZ Specified Exit Point" is, in the case of a Supply Point, the System Exit Point notified to Transco as the Proposed Supply Point in the User's Supply Point Nomination in accordance with paragraph G2.3.2(j) or, in the case of a CSEP, the LDZ System Exit Point identified as the CSEP in the Conventional Notice in accordance with paragraph (vi);

(ii) The LDZ Capacity Charge payable (for any Day) by a Registered User or CSEP User will be determined (for each Specified Exit Point) as the Registered LDZ Capacity multiplied by the LDZ Optional Capacity Rate applicable for the capacity (calculated in accordance with paragraph (iii)) and the distance (calculated in accordance with paragraph (iv));

and shall be invoiced in accordance with Section S.

(iii) For the purposes of this paragraph 4.6.9 the capacity of the LDZ Specified Exit Point shall be the Supply Point Capacity, determined in accordance with Section G5.4.1 except;

(a) for an LDZ Firm Supply Point the capacity shall be the sum of the DM Supply Point Capacity and the NDM Supply Point Capacity that the User is registered as holding from time to time in accordance with paragraphs 4.2 and 4.3 respectively;

(b) for an LDZ Interruptible Supply Point the capacity shall be the Supply Point Capacity determined in accordance with paragraph 4.6.5;

(c) for a Shared Supply Point the capacity shall be determined in accordance with Section G1.7.15;

(d) for an LDZ CSEP the capacity shall be determined in accordance with paragraph 4.5.2.

(iv) The distance (to the nearest 0.1 km) from the Notional NTS Connection Point to the curtilage of the LDZ Specified Exit Point or the offtake from the System at the LDZ Specified Exit Point (whichever is the lesser) shall be calculated on a straight line basis using eight figure grid references.

Transco shall determine an eight figure grid reference for each Notional NTS Connection Point and each LDZ Specified Exit Point (which may be revised in accordance with paragraph (vi) or Section G2.4.12).

(v) An application for the LDZ Optional Capacity Rate for a Supply Point shall be made in accordance with the provisions of Section G2.3.2(j) and, for a CSEP, shall be made in accordance with the provisions of paragraph (vi).

(vi) A CSEP User, or a proposing CSEP User, may apply for the LDZ Optional Capacity Rate

in the following manner:-

(a) by Conventional Notice to Transco stating the CSEP User, the LDZ Specified Exit Point ; and

(b) Transco shall identify the Notional NTS Connection Point and offer the LDZ Optional Capacity Rate and shall provide the distance between the LDZ Specified Exit Point and the Notional NTS Connection Point, the capacity of the CSEP determined in accordance with paragraph 4.5.2 and the eight figure grid references used; and

(c) where the CSEP User disputes the distance specified by Transco under paragraph (b), the CSEP user may resubmit an application in accordance with paragraph (a) stating an alternative eight figure grid reference for the LDZ Specified Exit Point with supporting evidence of calculation;

(d) the CSEP User shall confirm acceptance of the offer made in accordance with paragraph (b) with effect from the first day of a month not earlier than 15 days after the submission of the confirmation (or such lesser period as Transco may specify) and not later than six months from the date of the offer.

(vii)Where the User elects to pay the LDZ Optional Capacity Rate the LDZ Commodity Charge shall not be payable."

Insert new paragraph 4.6.10 to read:

4.6.10 The Notional NTS Connection Point shall be derived by Transco as :

(i) in the case of a Supply Point, the point on the NTS at which the NTS is nearest to either :

a) the curtilage of the LDZ Specified Exit Point, or
b) the offtake from the System at the LDZ Specified Exit Point

whichever gives the lesser distance

(ii) in the case of a CSEP the point on the NTS at which the NTS is nearest to the LDZ Specified Exit Point

<u>Paragraph 4.7</u>

Amend paragraph 4.7.6(i) to read:

"(i) 2 times the Applicable Annual Rate <u>(including where determined in accordance with paragraph 1.8.5(ii))</u> of the LDZ Capacity Charge . . ."

<u>Paragraph 4.8</u>

Amend paragraph 4.8.3 to read:

“4.8.3 The LDZ CSEP Overrun Charge . . .
Applicable Annual Rate (including where determined in accordance with paragraph 1.8.5(ii)) of the LDZ Capacity Charge.”

SECTION G
Paragraph 2
Amend paragraph 2.3.2 to read:
"2.3.2 A Supply Point Nomination shall specify:

(i) ……..; or

(j) where a User wishes to apply for the LDZ Optional Capacity Rate, the LDZ Specified Exit Point."

Amend paragraph 2.4.2 to read:

"2.4.2 .....

(k) Where a User has made a Supply Point Nomination. . . . . Rate; or

(l) where a User has made a Supply Point Nomination in accordance with paragraph 2.3.2(j) the Notional NTS Connection Point, the distance between the Notional NTS Connection Point and the Proposed Supply Point, the eight figure grid references, the capacity of the Proposed Supply Point and the LDZ Optional Capacity Rate."

Amend paragraph 2.4.12 to read:
"2.4.12 Where the User . . . . paragraph 2.4.2(k) or paragraph 2.4.2(l), the User may resubmit a Supply Point Nomination for the Proposed Supply Point stating alternative eight figure grid references for the Proposed Supply Point and the National NTS Connection Point as appropriate with supporting evidence of calculation."

Amend paragraph 2.5.1 to read:

"2.5.1

(iii) in respect of a Supply Point... in accordance with paragraph 2.4.2(k) or paragraph 2.4.2(l), ...this paragraph 2.5.1."

Amend paragraph 2.5.8 to read:

"2.5.8 (c) where there is an application for the NTS Optional Commodity Rate or the LDZ Optional Capacity Rate.....;"

Yours sincerely,

Julian Majdanski
Modification Panel Secretary