

25/02/2002

Dear Colleague,

**NOTICE OF IMPLEMENTATION  
MODIFICATION PROPOSAL No: 0501**

"Minor Corrections to Transco LNG Storage Terms"

Please note that Modification Proposal No 0501 was implemented with effect from 06:00 hours on 27/02/2002. The Final Modification Report, Version 2.0, was signed by Ofgem on 25/02/2002.

The new Network Code text resulting from this Modification follows.

**Modified Text:**

**DEFINED TERMS INDEX**

1. Delete the references to the defined terms **"BG Storage"**, **"BG Storage Facilities"**, **"Injection Period"**, **"Storage Credit Agreement"** and **"Transco LNG Facility"**.
2. Replace the defined term **"BG User Capacities"** with **"Transco User Capacities"**.
3. Replace the defined term **"Facility Injection Rate"** with **"LNG Facility Injection Rate"**.
4. Replace the defined term **"Invitation Close Date"** with **"Transco LNG Invitation Close Date"**.

**SECTION C**

1. Amend paragraph 5.1.11(c) as follows:

"(c) a Constrained Storage Renomination made by Transco on behalf of a User in accordance with Section R4 shall be a Primary Renomination."

## SECTION K

1. In paragraphs 1.2.3 and 1.2.4 replace "Transco LNG Storage LNG Facilities" with "Transco LNG Storage Facilities".
2. Amend paragraph 2.2.3 as follows:

"2.2.3 Transco will, not later than 1st March in each Storage Year . . . "

## SECTION P

1. In paragraph 3.2.2(iii) replace "Programmed Injection Days" with "Applicable Programmed Injection Days".
2. Amend the heading to paragraph 4.4 as follows:

"Surrender on late booking at Transco LNG Storage Facilities".

## SECTION R

1. In paragraphs 1.5.1(d)(i) and 1.5.1(e)(i) replace "Transco LNG Facility" with "Transco LNG Storage Facility".
2. Amend paragraph 1.5.1(g) as follows:

"(g) **"Applicable Invitation Close Date"** is in respect of:

- (i) a Transco LNG Storage Facility, the Transco LNG Invitation Close Date;
- (ii) any other Storage Facility, the date identified in the relevant Storage Terms by which Storage Users must make applications for Storage Capacity for a Storage Year".

3. Amend paragraph 1.5.1(h) as follows:

"(h) **"Applicable Programmed Injection Days"** are in respect of: . . . "

4. In paragraph 1.5.1(k)(i) replace "Facility Injection Rate" with "LNG Facility Injection Rate".

5. Amend the heading to paragraph 1.7 as follows:

"Transco LNG Storage"

6. Amend paragraph 1.7.1 as follows:

"1.7.1 For the purposes of the Code:

(a) **"Transco LNG Storage"** means Transco acting as operator of the Transco LNG Storage Facilities (whether or not, pursuant to Condition 7(15) of the Transco Licence, the arrangements which relate to the utilisation of such facilities are for the time being arrangements falling within Condition 7(14) thereof); and

(b) **"Transco LNG Storage Facilities"** means the LNG Facilities which are from time to time operated by Transco and are located at Glenmavis, Partington, Dynevor Arms, Avonmouth and Isle of Grain;"

7. In paragraphs 2.1.1(d) and 4.2.2 replace "Storage Nomination Time" with "Applicable Storage Nomination Time".

8. In paragraph 4.2.4(a) replace "Transco LNG Facility" with "Transco LNG Storage Facility".

## SECTION V

1. In paragraphs 5.1.2 and 7.1.2(i) replace "BG Storage Facilities" with "Transco LNG Storage Facilities".

2. In paragraph 7.1.2 replace the defined term **"BG User Capacities"** with **"Transco User Capacities"**.

3. In paragraph 7.1.2(v) replace "BGS LNG Facilities" with "Transco LNG Storage Facilities".
4. In paragraphs 7.2.1(i), (ii), (iii) and (v) replace "BG User Capacity" with "Transco User Capacity".
5. In paragraph 7.2.2 replace "BG User Capacities" with "Transco User Capacities".

## **SECTION W**

1. Amend the definitions of "Transco" and "Transco Licence" in paragraph 1 as follows:

**"Transco"**: without prejudice to paragraph 2.9.1, Transco plc as licensee under the Transco Licence;

**"Transco Licence"**: the Gas Transporter's Licence treated as granted to Transco, as from time to time in force;"

## **SECTION Z**

1. Delete paragraph 1.1.2.
2. Amend paragraph 1.2.1 as follows:  
  
"1.2.1 Transco LNG Storage shall be deemed to be appointed . . . "
3. In paragraph 1.3.2 replace "BGS Transco LNG Storage Facility" with "Transco LNG Storage Facility".
4. In paragraphs 1.4.1 and 2.6.1 replace "Transco LNG Facilities" with "Transco LNG Storage Facilities".
5. In paragraph 2.1.3(b) replace "Transco LNG facility" with "Transco LNG Storage Facility".

6. In paragraph 2.1.6 replace "Transco LNG Facility" with "Transco LNG Storage Facility".
7. In paragraph 3.1.3(a) replace the defined term "**Invitation Close Date**" with "**Transco LNG Invitation Close Date**".
8. In paragraphs 3.1.3(d), 3.6.1(b), 3.6.1(b)(ii), 3.6.2, 4.7, 4.7(a), 5.1.3(c), 5.2.2, 5.2.2(b), 5.2.3, 5.2.4, 5.2.5, 5.3.1(a), 5.3.3(b), 5.4.1, 5.5, 5.8.1 and 5.9.1 and in the headings to paragraphs 5.2 and 5.9, replace all references to "Injection Period" with "Transco LNG Injection Period".
9. In paragraphs 3.1.4, 3.3, 3.5.2 and 3.7.1 replace "Invitation Close Date" with "Transco LNG Invitation Close Date".
10. Amend paragraph 3.1.7 as follows:  
  
"3.1.7 For the purposes of paragraph 3.1.6, except where (in accordance with paragraph 3.4.2 or paragraph 3.5.5) the Storage Capacity applied for exceeds the Maximum Storage Capacity, each User whose application is approved will be considered to have been allocated the Storage Capacity it applied for."
11. Amend paragraph 3.2.1(e) as follows:  
  
" . . . and any request for the purposes of paragraph 3.4.8; and"
12. In paragraph 3.2.1(e) replace "Transco LNG Facilities" with "Transco LNG Storage Facilities".
13. In paragraph 3.3 replace "Transco's Public Gas Transporter's Licence" with "Transco Licence".
14. In paragraph 3.3 replace "Supply of LNG Storage Services" with "supply of services under this Section Z".
15. In paragraphs 4.7(b), 5.1.3(b), 5.2.1, 5.2.2(b), 5.3.3(b), 5.3.4, 5.3.5(b), 5.4.3, 5.4.4, 5.4.5, 5.4.7, 5.4.8, 5.5, 5.7.1 and 5.7.1(b) replace "Programmed Injection Day" with

"Programmed LNG Injection Day" and replace "Programmed Injection Days" with "Programmed LNG Injection Days".

16. In paragraph 5.1.3(e) replace the defined term "**Facility Injection Rate**" with "**LNG Facility Injection Rate**".
17. In paragraphs 5.2.2(b), 5.4.5, 5.4.6(a) and 5.6.5(a) replace "Facility Injection Rate" with "LNG Facility Injection Rate".
18. In paragraphs 5.3.2 and 5.4.6(c) replace "User Injection Rate" with "User LNG Injection Rate".
19. In paragraphs 5.7.1, 5.7.1(a), 5.7.2(b), 5.9.2, 6.2.6 and 6.2.7 replace "Storage Nomination Time" with "LNG Storage Nomination Time".
20. Amend paragraph 6.7.2 as follows:

" . . . shall be modified or disapplied to the extent necessary to give effect to this paragraph 6.7."
21. Amend paragraph 8.1.1 as follows:

"8.1.1 The amounts payable by the User to Transco LNG Storage and by Transco LNG Storage to the User in accordance with this Section Z will be invoiced and are payable in accordance with this paragraph 8 . . . "
22. Amend paragraph 8.1.1(c) as follows:

"(c) a "**Storage Invoice Item**" is an item (in respect of all charges of a particular kind) shown as payable by Transco LNG Storage or by a User in a Storage Invoice (including where relevant a Storage Self Bill Amount) including interest payable in accordance with this paragraph 8;"
23. Amend paragraph 8.1.3 as follows:

"8.1.3 A Storage Invoice may show as a Storage Invoice Amount an amount (a "**Storage Self Bill Amount**") payable by Transco LNG Storage to the User in respect of which Regulation 13(3) of the Value Added Tax Regulations 1995 is to apply."

24. In paragraph 9.1.1 replace "BGS Transco LNG Storage Facility" with "Transco LNG Storage Facility".

25. Amend paragraph 9.1.2 as follows:

" . . . shall have the meaning given to such terms in the Transco LNG Storage Credit Agreement to which it and Transco LNG Storage are a party."

26. Amend paragraph 10.4.1(b) as follows:

" . . . conducting a tender on a basis similar to that provided for in Section K3.3.2 in respect of Residual Surplus Gas;"

## **TRANSITION DOCUMENT PART II**

1. Amend the heading in paragraph 8.17 to the Transition Document Part II as follows:

"8.17 Section Z: Transco LNG Storage Facilities"

Yours sincerely,

Julian Majdanski  
Modification Panel Secretary