

15/12/2005

Dear Colleague,

I would like to bring it to your attention that an effective implementation date for this modification is unknown at this moment and subject to system changes being completed.

A revised Notice of Implementation will follow in due course.

*Please be advised that a random date of 01/01/9999 has been inserted into this document to enable its creation.*

**NOTICE OF REVISED IMPLEMENTATION  
MODIFICATION PROPOSAL No: 0061**

"Facilitating further demand-side response in the event that a Gas Balancing Alert is triggered"

Please note that Modification Proposal No 0061 will be implemented with effect from 06:00 hours on 01/01/9999. The Final Modification Report, Version 3.0, was signed by Ofgem on 15/12/2005.

The new Code text resulting from this Modification follows.

**Modified Text:**

**UNIFORM NETWORK CODE - TRANSPORTATION PRINCIPAL DOCUMENT  
SECTION D - OPERATIONAL BALANCING AND TRADING ARRANGEMENTS**

*Amend paragraph 1.4.1(d) to read as follows:*

- “(d) a "Market Balancing Buy Action" is the effecting of a **MarketBalancing** Transaction ~~(in which between~~ National Grid NTS ~~is one of the Trading Participants)~~ and a User, pursuant to which the User agrees to make a Disposing Trade Nomination;”

*Amend paragraph 1.4.1(e) to read as follows:*

- “(e) a "Market Balancing Sell Action" is the effecting of a **MarketBalancing** Transaction ~~(in which between~~ National Grid NTS ~~is one of the Trading Participants)~~ and a User, pursuant to which the User agrees to make an Acquiring Trade Nomination;

*Insert the following as new paragraphs 1.4.1(h) to (j):*

- “(h) "Balancing Transaction" is a Market Transaction or a Non-Trading System Transaction;
- “(i) "Balancing Transaction Charge" is a Market Transaction Charge or a Non-Trading System Transaction Charge; and
- “(j) "Balancing Action Offer Price" is the Market Offer Price or Non-Trading System Offer Price (as the case may be) in respect of a Balancing Transaction.”

*Insert the following as a new paragraph 1.4.3:*

“1.4.3 For the purposes of the Code:

- “(a) the “highest Market Offer Price” is either the highest Market Offer Price or highest Non-Trading System Offer Price for the Gas Flow Day in question; and
- “(b) the “lowest Market Offer Price” is either the lowest Market Offer Price or lowest Non-Trading System Offer Price for the Gas Flow Day in question.”

*Amend paragraph 2.1.3(a) to read as follows:*

- “(a) **"Trading System"** is an electronic trading system provided and operated by the Trading System Operator for the purposes described in paragraph 2.1.1; provided that references to the Trading System shall not include any part of such system by means of which transactions other than Market Transactions may be effected, or by means of which Market Transactions (other than Multi-Day Balancing Transactions) may be effected earlier than the 12:00 hours on the Day before the Gas Flow Day;”

*Amend paragraph 2.2.9 to read as follows:*

“2.2.9 The Market Balancing Action Charges payable pursuant to paragraph 2.2.8 shall:

- “(a) in the case of Multi-Day Balancing Transactions, be calculated on the basis of the original Market Offer Price; and
- “(b) in the case of any other Market Transaction, be calculated on the basis of the Market Offer Price;

and such Market Balancing Action Charges shall be invoiced and are payable in accordance Section S.”

*Insert the following as new paragraphs 3 and 4:*

### 3. Non-Trading System Transactions

3.1.1 For the purposes of the Code:

- “(a) A “Non-Trading System Transaction” is a transaction effected (other than by means of the Trading System) between National Grid NTS and a User who is not a Trading Participant, pursuant to which each of National Grid NTS and the User agrees to make equivalent Trade Nominations (so that the one such participant agrees to make an Acquiring Trade Nomination, and the other such participant agrees to make a Disposing Trade Nomination);

- (b) “Non-Trading System Offer Price” is (subject to paragraph 4) the price (in pence/kWh) specified in relation to a Non-Trading System Offer by the party making the Non-Trading System Offer, and the “original” Non-Trading System Offer Price is the price (in pence/kWh) specified by the party making the Non-Trading System Offer when posting the Non-Trading System Offer without applying the provisions of Section D4 to such price;
- (c) "Non-Trading System Offer" is an offer made by a User who is not a Trading Participant or National Grid (other than by way of the Trading System), acceptance of which will effect a Non-Trading System Transaction;
- (d) the "Non-Trading System Transaction Charge" is the Non-Trading System Transaction Quantity multiplied by the Non-Trading System Offer Price;
- (e) the "Non-Trading System Transaction Quantity" is the quantity which is the Trade Nomination Quantity in respect of the Trade Nominations to be made pursuant to acceptance of the Non-Trading System Offer.

3.1.2 Subject to paragraph 4.1.1, National Grid NTS may only enter into Non-Trading System Transactions only in relation to a Gas Flow Day in respect of which a Gas Balancing Alert is in place.

3.1.3 Where National Grid NTS takes a Market Balancing Action that is a Non-Trading System Transaction:

- (a) in the case of a Market Balancing Sell Action (or negatively priced Market Balancing Buy Action) the User shall pay to National Grid NTS the Market Balancing Action Charge;
- (b) in the case of a Market Balancing Buy Action (or negatively priced Market Balancing Sell Action) National Grid NTS shall pay the User the Market Balancing Action Charge.

3.1.4 The Market Balancing Action Charges payable pursuant to paragraph 3.1.3 shall:

- (a) in the case of Multi-Day Balancing Transactions, be calculated on the basis of the original Non-Trading System Offer Price; and
- (b) in the case of any other Non-Trading System Transaction, be calculated on the basis of the Non-Trading System Offer Price;

and such Market Balancing Action Charges shall be invoiced and are payable in accordance Section S.

#### 4. Multi-Day Balancing Actions

4.1.1 Where a User makes a Market Offer or a Non-Trading System Offer to National Grid NTS in relation to a Gas Flow Day in respect of which a Gas Balancing Alert is in place and up to six (6) subsequent consecutive Gas Flow Days, and it is a condition of accepting such Market Offer or Non-Trading System Offer that National Grid NTS and the User makes (or, in the case of a Market Offer, the Trading System Operator makes on their behalf) the appropriate Trade Nominations

for each such Gas Flow Day, National Grid NTS shall be entitled to accept such a Market Offer or Non-Trading System Offer and accordingly enter into a Market Transaction or Non-Trading System Transaction (any such Market Transactions or Non-Trading System Transactions shall be known as “Multi-Day Balancing Transactions”).

4.1.2 For the purposes of the Code, Multi-Day Balancing Transactions entered into by way of the Trading System will be entered into as Locational Market Transactions.

4.1.3 A Market Offer or a Non-Trading System Offer which would result in a Multi-Day Balancing Transaction must specify the same price in respect of each Day to which the Multi-Day Balancing Transaction would relate.

4.1.4 For the purposes of the Code, in relation to Multi-Day Balancing Transactions:

(a) the Market Offer Price or Non-Trading System Offer Price (as the case may be) of a Multi-Day Balancing Transaction on each Gas Flow Day to which the Multi-Day Balancing Transaction relates shall be calculated as follows:

$$(N)MOP = AP * (Offered Price * ND)$$

Where:

(N)MOP is the Market Offer Price or Non-Trading System Offer Price (as the case may be) of a Multi-Day Balancing Transaction for the Gas Flow Day in question;

AP is a factor determined as:

$$AP = PR / APR$$

PR is the probability (expressed as a percentage and estimated by National Grid NTS) of National Grid NTS requiring to take Market Balancing Buy Actions (where the Multi-Day Balancing Transaction is a Market Balancing Buy Action) or Market Balancing Sell Actions (where the Multi-Day Balancing Transaction is a Market Balancing Sell Action) on the Gas Flow Day in question;

APR is the sum of the PRs for each Gas Flow Day to which the Multi-Day Balancing Transaction relates;

Offered Price is the price (in pence/kWh) offered by the User when making a Market Offer or a Non-Trading System Offer that resulted in the Multi-Day Balancing Transaction;

ND is the number of Gas Flow Days to which the Multi-Day Balancing Transaction relates;

(b) references to Market Balancing Action Charges in the Code (other than in Section S or in the definition of “Energy Balancing Charges” in GTC Section C1) relating to Multi-Day Balancing Transactions shall (unless the context expressly requires otherwise) be calculated using the Market Offer Price or Non-Trading System Offer Price (as the case may be) as adjusted pursuant to paragraph 4.1.4(a); and

- (c) references to Market Balancing Action Charges relating to Multi-Day Balancing Transactions in Section S and in the definition of “Energy Balancing Charges” in GTC Section C1 shall (unless the context expressly requires otherwise) be calculated using the original Market Offer Price or original Non-Trading System Offer Price (as the case may be).

4.1.5 For the purposes of Section F:

- (a) the Market Offer Price or Non-Trading System Offer Price (as the case may be) of a Multi-Day Balancing Transaction will only be used in the determination of the System Marginal Buy Price pursuant to Section F1.2.1(a) where the Multi-Day Balancing Transaction is a Market Balancing Buy Action; and
- (b) the Market Offer Price or Non-Trading System Offer Price (as the case may be) of a Multi-Day Balancing Transaction will only be used in the determination of the System Marginal Sell Price pursuant to Section F1.2.1(b) where the Multi-Day Balancing Transaction is a Market Balancing Sell Action.

4.1.6 For the purposes of calculating the System Average Price pursuant to Section F1.2.1(c), where the Market Offer Price or Non-Trading System Offer Price (as the case may be) of a Multi-Day Balancing Transaction (as determined pursuant to paragraph 4.1.4) equals zero in relation to a Gas Flow Day, then the Trade Nomination Quantity of such Multi-Day Balancing Transaction for that Gas Flow Day shall be deemed to be zero.

4.1.7 For the purposes of calculating the System Marginal Sell Price pursuant to Section F1.2.1(b), where the Market Offer Price or Non-Trading System Offer Price (as the case may be) of a Multi-Day Balancing Transaction (as determined pursuant to paragraph 4.1.4) equals zero in relation to a Gas Flow Day, then such Market Offer Price or Non-Trading System Offer Price shall be excluded from the calculation of the System Marginal Sell Price pursuant to Section F1.2.1(b).

4.1.8 For the purposes of the Code, each Multi-Day Balancing Transaction entered into by National Grid NTS by way of the Trading System shall be deemed to be separate Market Transactions for each Gas Flow Day to which the Multi-Day Balancing Transaction relates.”

*Amend paragraph 1.2(c) of Annex D-1 to read as follows:*

- “(c) **“Market Offer Price”** is (subject to Section D4) the price (in pence/kWh) specified by the Originating Participant when posting a Market Offer, and the “original” Market Offer Price is the price (in pence/kWh) specified by the Originating Participant when posting a Market Offer without applying the provisions of Section D4 to such price;”

*Amend paragraph 3.2(d) of Annex D-1 to read as follows:*

- “(d) in the case of:
- (i) a Market Offer which, if accepted, would result in a Multi-Day Balancing Transaction, the Market Offer Specified Quantity;

(ii) any other Market Offer, the Market Offer Specified Quantity or the Market Offer Specified Rate;”

*Amend paragraph 3.2(e) of Annex D-1 to read as follows:*

“(e) the original Market Offer Price.”

*Amend paragraph 4.1 of Annex D-1 to read as follows:*

“4.1 Trading Participants may not post:

(a) a Market Offer which, if accepted, would result in a Multi-Day Balancing Transaction specifying a Market Offer Date for the final Day of such Multi-Day Balancing Transaction falling more than 7 days after the day on which the Market Offer was posted; and

~~(b) any other~~ Market Offer specifying a Market Offer Date falling more than 7 days after the day on which the Market Offer was posted.”

*Amend paragraph 4.4 of Annex D-1 to read as follows:*

“4.4 When posting a Market Offer (other than a Market Offer which, if accepted, would result in a Multi-Day Balancing Transaction) an Originating Participant may specify that the Market Offer (an "**Option Market Offer**") is linked to other Market Offers (a "**Related Market Offer**") made by the Originating Participant; and on acceptance of an Option Market Offer each other Related Market Offer shall no longer be capable of being accepted by any Trading Participant.”

*Amend paragraph 5.1 of Annex D-1 to read as follows:*

“5.1 Except in the case of Multi-Day Balancing Transactions, Market Offers in respect of a Market Offer Date will be capable of acceptance by Trading Participants between 12:00 hours on the Day preceding the Market Offer Date and 03:35 hours on the Market Offer Date. Market Offers in respect of Multi-Day Balancing Transactions will only be capable of acceptance by Trading Participants between 12:00 hours on the Day preceding the first Day to which the Multi-Day Balancing Transaction relates and 03:35 hours on the first Day to which the Multi-Day Balancing Transaction relates.”

*Amend paragraph 5.4(b) of Annex D-1 to read as follows:*

(b) where the Market Offer was to effect a Physical Market Transaction, not later than ~~5 minutes after acceptance of the Market Offer, submit the following details to National Grid NTS:~~

(i) 5 minutes after acceptance of the Market Offer (which would not result in a Multi-Day Balancing Transaction) submit the details listed in this paragraph (b) to National Grid NTS; or

(ii) 5 minutes after acceptance of the Market Offer (which would result in a Multi-Day Balancing Transaction) submit in respect of the first Day to which the Multi-Day Balancing Transaction relates the details listed in this paragraph (b) to National Grid NTS;

- (iii) 5 minutes after acceptance of the Market Offer (which would result in a Multi-Day Balancing Transaction) submit in respect of the second Day to which the Multi-Day Balancing Transaction relates the details listed in this paragraph (b) to National Grid NTS where the acceptance of the Market Offer occurs after 12:00 hours on the first Day to which the Multi-Day Balancing Transaction relates;
- (iv) 12:05 hours on each Day to which a Multi-Day Balancing Transaction relates the details listed in this paragraph (b) to National Grid NTS in respect of such Day (except to the extent such details have already been provided pursuant to paragraph (ii) or (iii));
- (v) The details listed in this paragraph (b) are:
  - ~~(i)~~(1) the Market Transaction ID;
  - ~~(ii)~~(2) the Market Offer Date;
  - ~~(iii)~~(3) the identity of the Originating Participant;
  - ~~(iv)~~(4) whether the Originating Participant has agreed to make an Acquiring Trade Nomination or a Disposing Trade Nomination;
  - ~~(v)~~(5) the quantity in respect of which the Trading Participants effected the Market Transaction;
  - ~~(vi)~~(6) the relevant Market Transaction Type and, where acceptance has given rise to a Locational Market Transaction, the Market Transaction System Point;
  - ~~(vii)~~(7) the time at which the Market Offer was accepted and the Transaction Effective Time;
  - ~~(viii)~~(8) where National Grid NTS is a party to the Market Transaction, the original Market Offer Price (expressed to four decimal places and as either a positive or negative), the National Grid NTS Reason Code and the National Grid NTS Batch Code;”

*Amend paragraph 7(b) of Annex D-1 to read as follows:*

- “(b) in respect of each Market Transaction effected in respect of such Day to which National Grid NTS was a party, the Market Offer Date, the Market Transaction ID the National Grid NTS Batch Code, the Market Transaction Quantity, the original Market Offer Price, the National Grid NTS Reason Code the Market Transaction Type, the time at which the Market Transaction was effected and whether National Grid NTS made a Disposing Trade Nomination or an Acquiring Trade Nomination.”

**UNIFORM NETWORK CODE - TRANSPORTATION PRINCIPAL DOCUMENT**  
**SECTION F - SYSTEM CLEARING, BALANCING CHARGES AND NEUTRALITY**

*Amend paragraph 1.2.1(a)(ii) to read as follows:*

- “(ii) the price in pence/kWh which [\(subject to Section D4.1.4, 4.1.5\(a\)\)](#) is equal to the highest [MarketBalancing Action](#) Offer Price in relation to a Market Balancing Action taken for that Day;”

*Amend paragraph 1.2.1(b)(ii) to read as follows:*

- “(ii) the price in pence/kWh which [\(subject to Section D4.1.4, 4.1.5\(b\) and 4.1.7\)](#) is equal to the lowest [MarketBalancing Action](#) Offer Price in relation to a Market Balancing Action taken for that Day;”

*Amend paragraph 1.2.1(c) to read as follows:*

- “(c) the "System Average Price" for a Day is [\(subject to Section D4.1.4 and 4.1.6\)](#) the price in pence/kWh calculated as the sum of all [MarketBalancing Transaction Charges](#) divided by the sum of the [Trade-NominationMarket Transaction Quantities and Non-Trading System Transaction Quantities](#) for all [MarketBalancing Transactions](#) [respectively](#) effected in respect of that Day”

*Amend paragraph 1.2.2 to read as follows:*

- “1.2.2 Where for any Day no [MarketBalancing](#) Transaction was effected (or none other than one excluded for the purposes of paragraph 1.2.1 pursuant to paragraph 1.2.3), the System Average Price for that Day shall be the arithmetic mean of the System Average Price determined under paragraph 1.2.1 (or under this paragraph) for each of the 7 preceding Days.”

## UNIFORM NETWORK CODE - TRANSPORTATION PRINCIPAL DOCUMENT

### SECTION V - GENERAL

*Insert the following as new paragraphs 5.9.3, 5.9.4, 5.9.5 and 5.9.6*

- “5.9.3 National Grid NTS shall issue (by means of publication on its website) an alert (a “**Gas Balancing Alert**”) where, after forecasting demand for a Gas Flow Day in accordance with Section H 5.2.3 on the Preceding Day, the Forecast Total System Demand for the Gas Flow Day in question is greater than or equal to the Forecast Total System Supply for such Gas Flow Day.
- 5.9.4 National Grid NTS may issue (by means of publication on its website) a Gas Balancing Alert where during a Gas Flow Day, an incident is notified to National Grid NTS that would (in the reasonable opinion of National Grid NTS) reduce the Forecast Total System Supply for that Gas Flow Day by at least twenty five (25) MCM per Day and the remaining Forecast Total System Supply for that Gas Flow Day is less than or equal to the Forecast Total System Demand.
- 5.9.5 Where a Gas Balancing Alert is issued, it shall remain in force until the end of the Gas Flow Day to which it applies.
- 5.9.6 For the purposes of the Code:
- (a) “**Forecast Total System Supply**” means the anticipated maximum daily supply to the Total System for the Gas Flow Day in question plus the sum of the quantity of gas that could be withdrawn from each Storage Facility Type



and delivered to the Total System on such Gas Flow Day without breaching the relevant Two Day Monitor Level; and

- (b) “**Two Day Monitor Level**” means, in respect of a Storage Facility Type, a quantity of gas equal to the Safety Monitor for that Storage Facility Type plus the quantity of gas that could be withdrawn from that Storage Facility Type in two (2) Days at the maximum withdrawal rate applicable to that Storage Facility Type.”

Yours sincerely,

Julian Majdanski  
Modification Panel Secretary