

04/10/2007

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0143**

“Reduction of lapse periods in respect of Failure Notices issued in respect of Energy Balancing Credit”

Please note that Modification Proposal No 0143 will be implemented with effect from 06:00 hours on 05/10/2007. The Final Modification Report, Version 3.0, was signed by Ofgem on 04/10/2007.

The new Code text resulting from this Modification follows.

Uniform Network Code – Transportation Principal Document
Section X – Energy Balancing Credit Management

Amend paragraph 2.10.10 to read as follows:

“2.10.10 Subject to paragraph 2.10.12, where the User has not provided the further, additional or revised Security in accordance with the Further Security Request by 12:00 hours on the Business Day following the date the Failure to Supply Further Security Notice was submitted and irrespective of the User's Outstanding Relevant Code Indebtedness as at any Day after the submission of the Further Security Request, National Grid NTS shall be entitled to, and as soon as reasonably practicable thereafter may, give Termination Notice to the User (for the purposes of Section V4.3.3) to the effect that the User shall cease to be a User with effect from the Day following the date of the Termination Notice and National Grid NTS shall send a copy of any notice given under this paragraph 2.10.10 to the Authority.”

Amend paragraph 2.10.12 to read as follows:

“2.10.12 Before National Grid NTS shall take the action envisaged by paragraph 2.10.10, National Grid NTS shall convene a meeting of the Energy Balancing Credit Committee as soon as reasonably practicable on or after the Business Day following the date the Failure to Supply Further Security Notice was submitted and shall consult with the Energy Balancing Credit Committee to determine whether National Grid NTS should be obliged to issue the Termination Notice, pursuant to paragraph 2.10.10, or whether National Grid NTS should defer taking such step.”

Amend paragraph 3.2 to read as follows:

“3.2 Failure to make payment

3.2.1 Where a User does not pay the Net Invoice Amount under an Energy Balancing Invoice in full on the Invoice Due Date, notwithstanding Section V4.3.1(a)

National Grid NTS shall be entitled to, and as soon as reasonably practicable after the Invoice Due Date will, submit to the User a notice, substantially in the form set out in the Energy Balancing Credit Rules, notifying the User that National Grid NTS will give Termination Notice to the User if the User does not pay the outstanding amount of the Net Invoice Amount in full by the Business Day after the date of such notice.

- 3.2.2 Where National Grid NTS has given notice to a User under paragraph 3.2.1 and the User has not paid the outstanding amount of the Net Invoice Amount in full by the Business Day following the date of such notice, National Grid NTS shall be entitled to and, subject to paragraph 3.2.5, as soon as reasonably practicable after such Business Day may, give Termination Notice (for the purposes of Section V4.3.3) to the User to the effect that the User shall cease to be a User with effect from the Day following the date of the Termination Notice.
- 3.2.3 National Grid NTS will send a copy of any notice given under paragraph 3.2.1 or 3.2.2 to the Authority and without prejudice to paragraph 1.2.5, will notify the Energy Balancing Credit Committee that such a notice has been issued.
- 3.2.4 Where:
- (a) National Grid NTS has given notice to a User under paragraph 3.2.1, and until the Net Invoice Amount under the relevant Energy Balancing Invoice is paid in full; or
 - (b) a User is a Defaulting User

National Grid NTS will not pay and (irrespective of the Invoice Due Date) shall be entitled to withhold payment pursuant to any Energy Balancing Invoice in respect of, any amounts payable to the User in respect of Energy Balancing Charges ("**relevant amounts**") (and no interest shall accrue and be payable on any such amounts from the Invoice Due Date until the day on which the payment is made) and National Grid NTS shall instead pay the relevant amounts into the User's Cash Call Account.

- 3.2.5 Before National Grid NTS shall take the action envisaged by paragraph 3.2.2, National Grid NTS shall convene a meeting of the Energy Balancing Credit Committee as soon as reasonably practicable on or after the Business Day following the date of the notice given to the User pursuant to paragraph 3.2.1 and shall consult with the Energy Balancing Credit Committee to determine whether National Grid NTS should be obliged to issue the Termination Notice pursuant to paragraph 3.2.2, or whether National Grid NTS should defer taking such step."

Yours sincerely,

Julian Majdanski
Modification Panel Secretary