

18 December 2009

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0265**

“Creation of a NTS Entry Capacity Retention Charge within the Uniform Network Code”

Please note that Modification Proposal No 0265 will be implemented with effect from 14:00 hours on 18/12/2009. The Final Modification Report, Version 2.0, was signed by Ofgem on 17/12/2009.

The new Code text resulting from this Modification follows:

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL
DOCUMENT
SECTION B – SYSTEM USE AND CAPACITY**

Amend paragraph 1.7.1(a)(i) to read as follows:

“charges (other than Energy Balancing Charges or Storage Charges) payable by a User in respect of a transportation arrangement under the Code, and (subject to paragraph 1.7.8) comprise Capacity Charges, Commodity Charges, Customer Charges, CSEP Charges, User Pays Charges and NTS Entry Capacity Retention Charges; and”

Insert the following as a new paragraph 2.16 as follows:

“2.16 NTS Entry Capacity Retention

- 2.16.1 For the purposes of the Code, “**NTS Entry Capacity Substitution Methodology Statement**” means the methodology statement published pursuant to the Standard Special Condition C8D of National Grid NTS’s Gas Transporter’s Licence.
- 2.16.2 National Grid NTS may, from time to time in accordance with the NTS Entry Capacity Substitution Methodology Statement, invite Users to enter into an arrangement with National Grid NTS pursuant to which National Grid NTS may exclude certain amounts of unsold NTS Entry Capacity from being substituted from an ASEP to meet demand for incremental obligated NTS Entry Capacity at one or more other ASEPs. Any amount payable by a User (or to be refunded to a User) pursuant to such an arrangement shall be a “**NTS Entry Capacity Retention Charge**”
- 2.16.3 The terms and conditions applicable to any such arrangement and the payment of NTS Entry Capacity Retention Charges shall be specified in the NTS Entry Capacity Substitution Methodology Statement and/or the relevant invitation published by National Grid NTS.”

Yours sincerely,

John Bradley
Modification Panel Secretary