

18 December 2009

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0275**

“Reduction in DM LDZ Exit Capacity for Supply Points with Significant Changes in Usage”

Please note that Modification Proposal No 0275 will be implemented with effect from 06:00 hours on 21/12/2009. The Urgent Modification Report, Version 3.0, was signed by Ofgem on 18/12/2009.

The new Code text resulting from this Modification follows:

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Add new paragraph 1.9 as follows:

“1.9 TPD Section G: Supply Points

1.9.1 TPD Section G5.2

Until 0600 on 1 October 2011 but not thereafter, for the purposes of TPD Section G5.2:

- (a) Notwithstanding TPD Section G5.2.1, in relation to an LDZ DM Supply Point Component, a Registered User may apply at any time, in accordance with this paragraph 1.9, to reduce the Registered DM Supply Point Capacity held to an amount below the Bottom-Stop Supply Point Capacity (the “Capacity Reduction Application”).
- (b) The Registered DM Supply Point Capacity may only be reduced using a Capacity Reduction Application to take effect once within the Capacity Reduction Period for the Gas Year commencing 1 October 2009 and once for the Capacity Reduction Period for the Gas Year commencing 1 October 2010.
- (c) A Capacity Reduction Application shall:
 - (i) be accompanied by a signed letter from the relevant consumer at the LDZ DM Supply Point stating the following information:
 - (1) a best estimate of the highest User SPDQ for any Day in the relevant Gas Year;
 - (2) the reasons for the requested change to reduce the Supply Point Capacity and the corresponding change in the Bottom-Stop Supply Point Capacity to equal the revised Supply Point Capacity; and
 - (3) a statement that Gas will continue to be offtaken at the relevant LDZ DM Supply Point.
 - (ii) and shall specify:
 - (1) the Supply Meter Point Reference Number;

- (2) the Supply Point Registration Number;
- (3) the revised DM Supply Point Capacity;
- (4) the revised Supply Point Offtake Rate.
- (d) The Transporter may reject a Capacity Reduction Application which is not made strictly in accordance with this paragraph 1.9.
- (e) By making a Capacity Reduction Application, the Registered User warrants to the Transporter in writing that the information contained in such Capacity Reduction Application is accurate and reflects a bona fide estimate of the future consumption up to 1 October 2011.
- (f) Where the Transporter does not reject a Capacity Reduction Application and Renomination by the Registered User in accordance with TPD Section G2.3 in respect of the relevant LDZ DM Supply Point Component on the basis of the revised Supply Point Capacity, the Transporter will submit to the Registered User a Supply Point Offer in accordance with TPD Section G2.4 and upon receipt of which, the Registered User may submit a Supply Point Reconfirmation in accordance with TPD Section G2.5.
- (g) With effect from the Supply Point Registration Date in respect of such Supply Point Reconfirmation, the LDZ Capacity Charges shall be determined by reference to the revised DM Supply Point Capacity, or the revised Bottom Stop Supply Point Capacity as appropriate, and notwithstanding TPD Section G paragraph 5.2.3(a), the revised Bottom Stop Supply Point Capacity shall be set to equal to the revised Supply Point Capacity.
- (h) In order to take effect, all Supply Point Confirmations made in accordance with this paragraph 1.9 must have a Supply Point Registration Date within the Capacity Reduction Period for the relevant Gas Year.
- 1.9.2 Where following revision of the Registered DM Supply Point Capacity for an Interruptible LDZ DM Supply Point Component in accordance with this paragraph 1.9 until the earlier of:
- (a) 06:00 on 1 October 2011; or
- (b) the date that an increase of the Registered DM Supply Point Capacity above the Bottom Stop Supply Point Capacity prevailing prior to revision of the Registered DM Supply Point Capacity takes effect;

the quantity of gas offtaken for any Day exceeds the User's Registered DM Supply Point Capacity then the User shall pay the difference between the LDZ Capacity Charges applicable prior to the first successful Capacity Reduction Application made effective pursuant to paragraph 1.9.1 and the actual charges paid or payable subsequent to such successful Capacity Reduction Application."

Yours sincerely,

John Bradley
Modification Panel Secretary