

14th April 2000

To: Shippers, Panel Members & Non-Network Code Parties

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0393
"Disposal of Operating Margins/Top-Up Gas"**

Please note that The Final Modification Report, Version 1.0 was signed by Ofgem on 14th April 2000 for Modification Proposal No: 0393.

With effect from 06.00 hours on 14th April 2000, the new Network Code text resulting from this Modification is detailed below.

Modified Text:

SECTION K: OPERATING MARGINS

Rename paragraph 3.1 'Storage Capacity and pre-Storage Year transfers' and add paragraphs 3.1.2, 3.1.3 and 3.1.4 to read as follows:

“3.1.2 Following 1 February in a Storage Year, Transco may, in respect of each Storage Facility, estimate:

(a) the Relevant Residual Gas that will be held by each Relevant System Manager at the end of the Storage Year (the “**estimated Relevant Residual Gas**”);

(b) the amount (if any) (the “**pre-Storage Year estimated surplus**”) by which the estimated Relevant Residual Gas of a Relevant System Manager (the “**pre-Storage Year transferor**”) exceeds the amount of Storage Space that Transco estimates will be held for the following Storage Year in that Storage Facility by the Relevant System Manager.

3.1.3 In respect of a Storage Facility where there exists a pre-Storage Year estimated surplus, Transco may on behalf of a pre-Storage Year transferor seek to make a transfer in favour of a User(s) in respect of the pre-Storage Year estimated surplus before the end of the Storage Year by way of:

(a) Storage Gas Transfer(s); or

- (b) Storage Gas Transfer(s) between relevant Storage Facilities;
or
- (c) withdrawal from a relevant Storage Facility and Trade Nominations in respect of the quantity of gas withdrawn
by conducting a tender or a series of tenders.

3.1.4 For the purposes of a tender referred to in paragraph 3.1.3, the provisions of paragraph 3.3.2(a) to (h) shall apply as if the references therein to Residual Surplus Gas were references to the pre-Storage Year estimated surplus, as if references to Residual Gas Transfer were references to a transfer under paragraph 3.1.3 and as if the reference at paragraph 3.3.2(f)(ii) to paragraph 3.3.7 did not apply.”

Amend paragraph 3.2.2 to read as follows:

“Subject to the relevant Storage Terms, a transferor may effect from the start of the Storage Year....”.

Amend paragraph 3.3.1 to read as follows:

“....under paragraphs 3.1 and/or 3.2 exceeds the Storage Space held by....”.

Yours sincerely

Richard Gray
Process Manager – Network Code