

01/05/2000

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0390**

"LNG Services in 2000/01"

Please note that Modification Proposal No 0390 was implemented with effect from 06:00 hours on 01/05/2000. The Final Modification Report, Version 3.0, was signed by Ofgem on 05/04/2000.

The new Network Code text resulting from this Modification follows.

Modified Text:

Section Z

Amend 2.1.3(b) to read:

(b) "Storage Deliverability" is capacity which entitles the User (provided that it has gas in store) to withdraw gas from a Transco LNG facility to the System.

Amend 2.1.6 to read:

2.1.6 The "**Maximum Storage Capacity**" in respect of a Transco LNG Facility at any time is:

(a) Storage Space ("**Maximum Storage Space**") determined as the Total Storage Space less the amount of Storage Space at the time subject to Long Term Storage Arrangements in accordance with paragraph 2.8, Tanker Filling Arrangements in accordance with paragraph 2.9 and Operating Margins Requirements; and/or

(b) Storage Deliverability ("**Maximum Storage Deliverability**") determined as the Total Storage Deliverability less the amount of Storage Deliverability at the time subject to Long Term Storage Arrangements in accordance with paragraph 2.8 and Operating Margins Requirements.

as specified for a Storage Year in the Annual Storage Invitation (in accordance with paragraph 3.1).

Amend 2.9.2 to read:

2.9.2 Under a Tanker Filling Arrangement, the requirement as to Storage Duration of paragraph 2.3 will not apply in respect of the User's Storage Space but the User will pay charges (in accordance with the Annual Storage Invitation) for the entitlement to withdraw and/or withdrawing gas under such arrangement.

Delete "and" from paragraph 3.1.3(i), renumber existing paragraph 3.1.3(j) as 3.1.3(k) and add a new paragraph 3.1.3(j):

(j) for each of the months May to September inclusive, the amount of the charge (the "**Carry-over Charge**") (in kWh/Day) that will apply to such of the User's Permitted Uncovered Amount as is left in a Transco LNG Storage Facility; and

Delete paragraph 3.2.1(f) and renumber (g) as (f)

Rename paragraph 3.3 " Capacity Allocation - Operating Margins and Tanker Filling Arrangements "

Delete paragraph 3.3 and replace with:

3.3 In any Storage Year, Transco and Users shall pay the prices set out in Transco's Public Gas Transporter's Licence for the Supply of LNG Storage Services for Operating Margins Purposes and for Tanker Filling Arrangements entered into prior to the Invitation Close Date for the Storage Year in question.

Amend 3.4.2 to read:

3.4.2 If applications are made pursuant to the Annual Storage Invitation for Storage Space or Storage Deliverability at a Transco LNG Storage Facility in aggregate greater than the relevant Maximum Storage Capacity Transco LNG Storage will allocate Storage Space or Storage Deliverability (as to each of which this paragraph 3.4 shall apply separately) between Users whose applications were not rejected in accordance with the further provisions of this paragraph 3.4.

Delete 3.4.3 and 3.4.4

Amend 3.5.2 as follows:

3.5.2 Each User (excluding Transco for Operating Margins Purposes and Users and/or Transco in respect of Tanker Filling Arrangements for the forthcoming Storage Year entered into prior to the Invitation Close Date) who applies for Storage Capacity shall tender a price or prices (in accordance with paragraph 3.2.1(d)), and agrees by making such application to pay by way of

Storage Capacity Charges the prices so tendered in respect of the amounts of Storage Capacity allocated in accordance with this paragraph 3.5.

Amend 3.5.5 as follows:

3.5.5 Transco LNG Storage will allocate Storage Capacity by:

Delete paragraphs 3.5.6 to 3.5.11 inclusive, renumber 3.5.12 as 3.5.6.

Add new paragraph 3.6.6:

3.6.6 Carry-over Charges will be invoiced and are payable monthly in accordance with paragraph 8.

Transition Document Part II

Delete paragraphs 8.17.1 and 8.17.2 and replace with:

8.17.1 Z3.1.1 For the Storage Year commencing 1st May 2000 Transco LNG Storage will, not later than 14th April, 2000, invite (for the purposes of Section Z3.1.1 applications for Storage Capacity in each Transco LNG facility, and the requirement of Section Z3.1.3(a) that the Invitation Close Date shall not be less than 30 Days after the date of the invitation shall not apply.

8.17.2 Z5.2.1 For each Transco LNG Facility, for the Storage Year commencing 1st May, 2000, the “**Injection Period**” is the period from 8th May 2000 to 31st October 2000, excluding any Days which are not Programmed Injection Days as extended in accordance with paragraph 5.2.2.

Add new paragraph 8.17.5:

8.17.5 Z5.4.2 For the Storage Year commencing 1st May 2000, each User may, not later than 12:00 hours on 2nd May, 2000 notify to Transco LNG Storage a requested change to the Provisional Injection Programme in respect of any Transco LNG Facility for the period 8th to 31st May 2000.

Add new paragraph 8.17.6:

8.17.6 Z5.4.8 Not later than 12:00 hours on 3rd May, 2000 Transco LNG Storage will provide to each User the Confirmed Injection Programme, specifying the Confirmed Injection Quantity for each Programmed Injection Day of the period 8th to 31st May 2000 for each Transco LNG Facility.

Add new paragraph 8.17.7:

8.17.7 B1.8 In respect of Pricing Consultation 52 the requirement in Section B1.8.2 that the notice to be given by Transco pursuant to the Transco Licence in relation thereto be given not less than 2 months prior to the proposed date of implementation shall not apply and Transco shall instead give such notice as far in advance of the date on which the proposals contained therein are to be implemented as is reasonably practicable.”

Yours sincerely,

Julian Majdanski
Modification Panel Secretary