

01/05/2000

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0391**

"Treatment of Constrained Top-up Costs for 2000 to 2002"

Please note that Modification Proposal No 0391 was implemented with effect from 06:00 hours on 01/05/2000. The Final Modification Report, Version 4.0, was signed by Ofgem on 17/04/2000.

The new Network Code text resulting from this Modification follows.

Modified Text:

TRANSITION DOCUMENT, PART II

Delete 'Not Used' at paragraph 8.12 and insert text to read as follows:

“Section P: Top-up Storage

- P6 (1) Paragraphs (2) to (6) shall apply in respect of the Storage Year commencing 1 May 2000 (“**relevant**” Storage Year)
- (2) For the purposes of paragraph 8.12 of this Part II in relation to Constrained LNG Facilities in respect of a relevant Storage Year:
- (a) the “**Constrained Top-up Costs**” are:
- (i) those Top-up Costs which relate to:
- (aa) the top-up constrained space requirement, the top-up constrained deliverability requirement; and
- (bb) the procurement of gas for injection into Storage Space equal to that amount of the Top-up Space Requirement equal to the top-up constrained space requirement;
- (ii) System Entry Overrun Charges in relation to a Constrained LNG Facility;

- (iii) Storage Overrun Charges in relation to a Constrained LNG Facility;
 - (b) the “**Constrained Top-up Revenues**” are those Top-up Revenues which relate to:
 - (i) Top-up Storage Transfers where the Storage Capacity transferred, in the case of:
 - (aa) Storage Space, comprised all or part of the top-up constrained space;
 - (bb) Storage Deliverability, comprised all or part of the top-up constrained deliverability requirement;
 - (ii) Top-up Storage Transfers where the gas transferred comprised gas injected into Storage Space equal to that amount of the Top-up Space Requirement equal to the top-up constrained space requirement;
 - (iii) in the case of Balancing Charges, those relating to any Constrained Storage Day;
 - (c) the “**Constrained Top-up Annual Adjustment Amount**” is an amount equal to the Constrained Top-up Revenues less the Constrained Top-up Costs.
- (3) In respect of a relevant Storage Year, each relevant User shall pay to the Top-up Manager or (as the case may be) the Top-up Manager shall pay to each relevant User, a charge (the “**Constrained Top-up Annual Adjustment Charge**”) calculated as:

$$A * B / C$$

where:

- A is the Constrained Top-up Annual Adjustment Amount;
 - B is the sum of the relevant User’s relevant UDQO’s for each Day in the Top-up Recovery Period;
 - C is the sum of all relevant User’s relevant UDQO’s for each Day in the Top-up Recovery Period.
- (4) The Constrained Top-up Annual Adjustment Charge is payable by the Top-up Manager to relevant Users where the Constrained Top-up Annual Amount is positive and is payable by relevant Users to the Top-up Manager where the Constrained Top-up Annual Amount is negative.

- (5) Constrained Top-up Annual Adjustment Charges shall be invoiced and payable in accordance with Section S (and Constrained Top-up Annual Adjustment Charges shall be an Invoice Item to be included on the Balancing Invoice relating to the first Billing Period following the end of the relevant Storage Year).
- (6) For the purposes of Section P6 Top-up Costs shall not include Constrained Top-up Costs and Top-up Revenues shall not include Constrained Top-up Revenues.”.

Yours sincerely,

Julian Majdanski
Modification Panel Secretary