

01/09/2000

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0395**

"Removal of Storage Nomination Arrangements"

Please note that Modification Proposal No 0395 was implemented with effect from 06:00 hours on 01/09/2000. The Final Modification Report, Version 3.0, was signed by Ofgem on 09/08/2000.

The new Network Code text resulting from this Modification follows.

Modified Text:

REVISED STORAGE NOMINATION ARRANGEMENTS

Draft proposed legal text

SECTION K: OPERATING MARGINS

Amend paragraph 3.7.1 to read as follows:

"....

- (i) ...(in accordance with paragraph 3.8), make an Input Nomination (and a corresponding Storage Withdrawal Nomination) (for Winter Carry-across Gas)....".

SECTION P: TOP-UP STORAGE

Amend paragraph 2.7.2 to read as follows:

"....

- (vi)make an Output Nomination (and a corresponding Storage Injection Nomination) for a Day....".

Amend paragraph 3.2.5 to read as follows:

"....

- (i) make an Output Nomination(s) for Nomination Quantity(ies) (and corresponding Storage Injection Nominations) and/or;
- (ii)under Output Nomination(s) (and the Storage Nomination Quantities under corresponding Storage Injection Nomination(s)) which....". 'Storage Nomination Quantity'; new defined term; see new Section R2.1(e).

Amend paragraph 3.3.1 to read as follows:

"....make an Output Nomination (including a Renomination) and a corresponding Storage Injection Nomination (including a Storage Renomination) in respect of....".
'Storage Renomination': new defined term; see new Section R2.1(d).

Amend paragraph 3.4.2 to read as follows:

"....under initial Storage Withdrawal Nominations made by Users for the Day."

Amend paragraph 3.4.3 to read as follows:

"....pursuant to Output Nominations (and corresponding Storage Injection Nominations) in accordance with paragraph 3.4.4."

Amend paragraph 3.4.4 to read as follows:

"....under Output Nominations (and corresponding Storage Injection Nominations) made by the Top-up Manager....

....

- (ii) under Input Nominations (and corresponding Storage Withdrawal Nominations) (other than made by Transco....".

Amend paragraph 3.4.5 to read as follows:

"....User's Nominations are revised.... revise its Output Nominations (and corresponding Storage Injection Nominations) pursuant to paragraph 3.4.3."

Amend paragraph 3.6.1 to read as follows:

"Where the Top-up Manager makes an Output Nomination (and corresponding Storage Injection Nomination) under paragraph....

- (i) ..., make an Input Nomination (and corresponding Storage Withdrawal Nomination) (for Winter Carry-across Gas)....

....

....under such Output Nomination (and corresponding Storage Injection Nomination).".

Amend paragraph 3.6.2 to read as follows:

"...make or revise an Output Nomination (and corresponding Storage Injection Nomination)....".

Amend paragraph 3.6.4 to read as follows:

"...an Output Nomination (and corresponding Storage Injection Nomination) under paragraph....".

SECTION R: STORAGE

Delete paragraph 1.3.2.

Delete text at paragraph 2.1 and insert text to read as follows:

"For the purposes of the Code:

- (a) a "Storage Injection Nomination" in respect of a Storage Facility is a nomination in respect of a quantity of gas to be injected into the Storage Facility;
- (b) a "Storage Withdrawal Nomination" in respect of a Storage Facility is a nomination in respect of a quantity of gas to be withdrawn from the Storage Facility;
- (c) a "Storage Nomination" is a Storage Injection Nomination or a Storage Withdrawal Nomination;
- (d) a "Storage Renomination" is a Storage Nomination which is made after the Storage Nomination Time and which revises an earlier Storage Nomination (including a Storage Renomination); and
- (e) "Storage Nomination Quantity" is the quantity nominated for injection or withdrawal under a User's prevailing Storage Nomination."

Delete paragraph 4.1.3 and insert 'Not Used.'

Amend paragraph 4.1.4(b) to read as follows:

"the rate of flow ("**Constrained Threshold Demand Flow**") at a Constrained Storage Point at which Transco may make Constrained Storage Renominations in respect of the relevant Constrained Storage Facility;"

Amend paragraph 4.2.3 to read as follows:

"...Constrained Threshold Demand Flow; and where....". Typographical (paragraph now one, not two, sentences therefore following Code drafting convention).

Amend paragraph 4.2.1 to read as follows:

"Each User holding Storage Space in a Constrained Storage Facility authorises Transco to make an Input Nomination ("**Constrained Storage Renomination**") in respect of the relevant Storage Connection Point on behalf of the User in accordance with this paragraph 4."

Amend paragraph 4.2.2 to read as follows:

"...where the User has not already made an Input Nomination in respect of the relevant Storage Connection Point (and accordingly....".

Amend paragraph 4.2.4 to read as follows:

"The Nomination Quantity ("**Constrained Nomination Quantity**") under a Constrained Storage Renomination shall be:

- (a) in the case of a Transco LNG Facility, the Storage Constrained Nomination Quantity determined in accordance with Section Z6.9; and
- (b) in the case of any other Storage Facility, the quantity determined in accordance with the relevant Storage Terms.".

Amend paragraph 4.2.7 to read as follows:

"...revise the Constrained Storage Renominations such that the Constrained Nomination Quantities are, in the case of Constrained Storage Renominations:

- (a) in respect of a Transco LNG Storage Facility, equivalent to the Storage Constrained Nomination Quantities determined in accordance with Section Z6.9.4; and
- (b) in respect of any other Storage Facility, equivalent to the quantities determined in accordance with the relevant Storage Terms.".

Renumber existing paragraph 4.3.1 as paragraph 4.2.8 and at paragraph 4.3 insert 'Not Used'.

Delete text at paragraph 4.3.2. Moved to new Section Z6.9.

Delete text at paragraph 4.4 and insert 'Not Used'. Moved to new Section Z6.9.

Amend paragraph 4.5.1 to read as follows:

"The relevant Storage Terms will provide in relation to a User holding Storage Space in the Constrained Storage Facility....".

Amend paragraph 4.6.5 to read as follows:

"...the User may not make any Input Nomination in respect of the relevant Storage Connection Point for the relevant Constrained Storage Facility....".

Amend paragraph 4.6.6 to read as follows:

"...to reject an Input Nomination in respect of the relevant Storage Connection Point for the Constrained Storage Facility which would....".

Add new paragraph 4.6.10 to read as follows:

"A User will not make a Storage Withdrawal Nomination which would result in the requirement in paragraph 4.6.1 ceasing to be satisfied or at a time at which such requirement is not satisfied."

Amend paragraph 4.7.2 to read as follows:

"....

- (a)make an Input Nomination in respect of the relevant Storage Connection Point for the Constrained Storage Facility (and corresponding Storage Withdrawal Nomination) (for Winter Carry-across Gas)....".

Amend paragraph 4.7.3 to read as follows:

"...shall apply in respect of Output Nominations in respect of the relevant Storage Connection Point for Constrained Storage Facilities made by the Top-up Manager (and corresponding Storage Injection Nominations)...shall include an Output Nomination (and corresponding Storage Injection Nomination) made pursuant to this paragraph 4.7."

SECTION Z: TRANSCO LNG CONSTRAINED FACILITIES

Amend paragraph 1.2.2 to read as follows:

"....will be the Storage Nominated Quantity...."

Amend paragraph 1.4.1 to read as follows:

"Without prejudice to paragraphs 5.8.1 and 5.8.2, Users will make Storage Nominations to Transco LNG Storage in respect of injections and withdrawals of gas from Transco LNG Facilities."

Delete text at paragraph 1.4.3 and insert 'Not Used'. Text moved to Section R2.1.

Amend paragraph 1.4.4 to read as follows:

"Transco LNG Storage will only act on User's Storage Withdrawal Nominations where such are received (or deemed to be received) by Transco LNG Storage....".

Amend paragraph 1.4.5 to read as follows:

"...pursuant to a request from Transco".

Add new paragraph 1.4.6 to read as follows:

"Where Transco LNG Storage delivers gas to the System at the request of Transco, the Constrained Nomination Quantity will be independent of the relevant User's Available Deliverability, and the User will be liable (in accordance with paragraph 7) to pay any Storage Overrun Charges which may arise as a result of such delivery."

Amend paragraph 5.7.4 to read as follows:

"...such revised Storage Nomination Quantities....".

Amend paragraph 5.8.1 to read as follows:

"Storage Injection Nominations will be made on behalf of Users by Transco LNG Storage;....".

Amend paragraph 5.8.4 to read as follows:

"....will be the Storage Nominated Quantity....".

Amend paragraph 6.1.6 to read as follows:

"....that the Storage Nomination Quantities under....".

Amend paragraph 6.2.1 to read as follows:

"....may make a Storage Renomination in respect of....".

Amend paragraph 6.2.2 to read as follows:

"Where a User makes a Storage Renomination of a Storage Withdrawal Nomination (such a Storage Renomination or Storage Nomination a".

Amend paragraph 6.3 to read as follows:

"....will be the Storage Nominated Quantity....".

Amend paragraph 6.4.1 to read as follows:

"...., for a Storage Nominated Quantity....".

Amend paragraph 6.4.3 to read as follows:

"...., for a Storage Nominated Quantity....".

Amend paragraph 6.4.4 to read as follows:

"....not make a Storage Renomination pursuant to which the Storage Nomination Quantity....".

Amend paragraph 6.6.1 to read as follows:

"....

(b)equal to the Storage Nominated Quantity....".

Amend paragraph 6.6.4 to read as follows:

"....equal to the Storage Nominated Quantity....".

Add new paragraph 6.9 to read as follows:

- 6.9 Storage Constrained Nomination Quantity** Text formerly at Section R4.3.2 and 4.4.
- 6.9.1 On a Constrained Storage Day Storage Withdrawal Nominations will be made by Transco LNG Storage on behalf of Users ("Storage Constrained Renomination"); and the Storage Nomination Quantities will be determined in accordance with this paragraph 6.9.
- 6.9.2 Subject to paragraph 6.9.3, where on any Constrained Storage Day more than one User has gas-in-storage in a Constrained Storage Facility, the Storage Nomination Quantity ("Storage Constrained Nomination Quantity") for each User shall be determined so that each of the following conditions are satisfied:
- (a) the aggregate of the Storage Constrained Nomination Quantities under the Storage Constrained Renominations shall be equal to the Total Constrained Quantity;
 - (b) for each User, the Storage Constrained Nomination Quantity shall not exceed the User's gas-in-storage for the Constrained Storage Day;
 - (c) subject to paragraph (a), where a User has already made a Storage Withdrawal Nomination for the Constrained Storage Facility, the Storage Constrained Nomination Quantity shall not be less than the Storage Nomination Quantity prevailing at the time the Storage Constrained Renomination is made; and
 - (d) for each User for whom the Storage Constrained Nomination Quantity exceeds the Storage Nomination Quantity prevailing under any Storage Withdrawal Nomination already made (or who has not made any Storage Withdrawal Nomination), the Storage Constrained Nomination Quantities shall be in the proportions in which all such Users have Available Storage Space on the Constrained Storage Day.
- 6.9.3 Where the Total Constrained Quantity is less than the aggregate of the Storage Nomination Quantities under Storage Withdrawal Nominations already made by Users in respect of the relevant Constrained Storage Facilities for the Constrained Storage Day:
- (a) Storage Constrained Nomination Quantities will be determined in accordance with paragraph 6.9.4;
 - (b) the Storage Constrained Renominations shall not take effect to revise the Storage Withdrawal Nominations made by Users and prevailing at the time the Storage Constrained Renomination is made (and accordingly the Storage Nomination Quantity under each such User's Storage Withdrawal Nomination shall prevail over the Storage Constrained Nomination Quantity); and
 - (c) no User may make a Storage Renomination in respect of the relevant Storage Connection Point such that the Storage Nomination Quantity (prevailing after such Storage Renomination) would be less than the Storage Constrained Nomination Quantity determined in accordance with paragraph 6.9.4.

6.9.4 Storage Constrained Nomination Quantities shall be determined in accordance with paragraph 6.9.2 but so that the following provisions shall apply in lieu of paragraphs 6.9.2 (c) and (d) (which shall not apply):

- (a) where the User has not already made a Storage Withdrawal Nomination the Storage Constrained Nomination Quantity shall be zero;
- (b) where a User has already made a Storage Withdrawal Nomination, the Storage Constrained Nomination Quantity shall not be greater than the Storage Nomination Quantity prevailing at the time the Storage Constrained Renomination is made;
- (c) for each User for whom the Storage Constrained Nomination Quantity is less than the Storage Nomination Quantity prevailing under any Storage Withdrawal Nomination already made, the Storage Constrained Nomination Quantities shall be in the proportions in which all such User's have Available Storage Space on the Constrained Storage Day."

Yours sincerely,

Julian Majdanski
Modification Panel Secretary