

27th February 1997

31 Homer Road
Solihull
West Midlands
B91 3LT
Telephone 0121 6264431

To: All Shippers & Non-Network Code Parties

Dear Colleague,

REVISED NOTICE OF IMPLEMENTATION MODIFICATION 0104

Bridging NTS Exit Capacity to support Supply Point Transfers

(This Notice Replaces the Notice of Implementation sent on 26th February, 1997)

Please note that Modification Proposal 0104 will be implemented with effect from 6.00am on 27th February 1997.

The Report was signed by Ofgas on 26th February 1997. The text resulting from this modification is detailed below.

Modified Text

Transition Document Part II Paragraph 8

Add the following under Section B:

- "B3.2 (1) The Registered User of a DM Supply Point Component may, where the conditions at paragraph (2) are satisfied, apply (by facsimile) to Transco to be registered as holding DM NTS Exit Capacity at the relevant NTS Exit Point, for the bridging capacity period (in accordance with paragraph (5)(a)), in an amount not exceeding the User's Registered Supply Point Capacity at the DM Supply Point Component, with effect from a date (the "relevant date", whether or not an Eligible Capacity Registration Date) which falls:
- (a) between 1st March 1997 and 30th April 1997 in the Gas Year 1996/97 or between 1st November 1997 and 30th April 1998 in the Gas Year 1997/98, and
 - (b) not more than 12 nor less than 2 Days (or for applications made before 1st March 1997, not less than 1 Day) after the User's application.
- (2) The conditions referred to in paragraph (1) are:

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and is a part of BG plc

BG plc
Registered in England No. 2006000
Registered Office
100 Thames Valley Park Drive
Reading, Berkshire RG6 1PT

- (a) that at the date of the application the User is, and for a period of not less than 6 months has been, the Registered User of the DM Supply Point Component identified in the application;
- (b) that at the relevant date the contract(s) made by the User for the sale or supply of gas offtaken from the System at the DM Supply Point Component will have expired, is due to expire within one month of the relevant date or after subsisting for a period of not less than 6 months will have been terminated other than upon the breach of any party thereto; and
- (c) that the User:
 - (i) has not previously submitted such an application in relation to the DM Supply Point Component; or
 - (ii) has previously submitted an application in relation to a DM Supply Point Component (which has been approved) (the "**first application**"), the User is still the Registered User of such DM Supply Point Component and the second application submitted by the User:
 - (1) is in relation to the same DM Supply Point Component and is in respect of an amount of DM NTS Exit Capacity not less than that in the first application; and
 - (2) is in respect of the month following the bridging capacity period for the first application

and that either the User is able to demonstrate to Transco's reasonable satisfaction that at the relevant date (in respect of the second application) the consumer, or where the User is not the supplier, the supplier, has not entered into a contract with a person other than the User for the sale or supply of gas offtaken from the System at the Supply Meter Points comprised within the DM Supply Point Component or that at the date of the second application Transco has not notified the User pursuant to Section G2.8.1(a) of the submission of a Supply Point Confirmation in relation to any Supply Meter Point comprised in the DM Supply Point Component.

- (3) By submitting an application pursuant to paragraph (1) the User warrants to Transco that each of the conditions at paragraph (2) is satisfied (and nothing herein shall require Transco to verify whether such conditions are satisfied).

- (4) Sections B3.2.2(a), B3.2.4 (except in relation to Section B3.2.2(b)) and B3.2.6 (disregarding the reference therein to Section B3.2.5) shall apply in respect of an application under paragraph (1).
- (5) Where a User's application in accordance with paragraph (1) is approved:
- (a) the User will be registered as holding DM NTS Exit Capacity, in the amount applied for, a period of one month (the "**bridging capacity period**") from the relevant date, subject to paragraph (6)(c);
 - (b) Section B3.2.9 shall not apply in relation to such registration.
- (6) Where a User is registered as holding DM NTS Exit Capacity pursuant to an application under paragraph (1) the User shall not submit a Supply Point Objection in respect of any Supply Point Confirmation submitted in respect of a Proposed Supply Point including any Supply Meter Point comprised in the DM Supply Point Component.
- (7) A User may, in relation to an application (in accordance with Section B3.2 but made by facsimile) for DM NTS Exit Capacity from an Eligible Capacity Registration Date between:
- (a) 1st May and 31st October 1997, specify a date not later than 31st October 1997;
 - (b) 1st May and 31st October 1998, specify a date not later than 31st October 1998
- on which the User wishes the registration to expire.
- (8) Where pursuant to an application under paragraph (7) a User is registered as holding DM NTS Exit Capacity:
- (a) Section B3.2.9 shall apply in relation to such registration;
 - (b) the capacity period will (notwithstanding Section B3.2.9) be the period from the registration date until the expiry date specified by the User.

Yours sincerely,



pp

Richard Gray
Secretary Modification Panel

97/02/26/07



26 February 1997

Direct Dial : 0171-932-1669
Our Ref : Net/Cod/Mods/104
Your Ref :

Dear Sir/Madam

Modification 104: Bridging NTS Exit Capacity to Support Supply Point Transfers

Ofgas has approved urgent modification 104. This modification was amended following shipper representations and a follow-up drafting meeting. The modification now reflects most of the concerns raised. One issue still outstanding is in relation to capacity required for the 3rd or subsequent month in the months of November and April. Shippers raised the possibility of supply point transfers being delayed for more than two months beyond the end of the contract period through no fault of the incumbent shipper. This will not be a problem until January 1998 because of the availability of a short term summer capacity booking service.

There would seem to be a requirement for the short term capacity service in excess of two months for the November to April period. However, at the drafting meeting a shipper raised the possibility of this issue being addressed by the Code of Practice. Where there is or is likely to be a delay in the transfer of ownership beyond two months, the potential incoming shipper could purchase from Transco 12 months of capacity. This capacity could then be traded to the incumbent in appropriate tranches to meet the delay.

This issue will be raised at the Code of Practice meeting. If it is not possible to incorporate a workable mechanism into the Code of Practice and problems remain then a further Code modification can be raised.

Yours faithfully

A handwritten signature in black ink, appearing to read "T. Majid", written over a horizontal line.

Tahir Majid
Network Operations/
Regulation & Business Affairs