

2nd April 1998

To Shippers, Panel Members and Non-Network Code Parties

Network Code Devt

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Dear Colleague,

NOTICE OF IMPLEMENTATION

MODIFICATION PROPOSAL NO:0220

ROUGH SERVICES 1998/99 (CORE)

Please note that Modification Proposal No.0220 was implemented with effect from 12.00 noon on 02/04/98. The Final Modification Report , Version 1.0 was signed by Ofgas on 02/04/98.

The new Network Code text resulting from this Modification (as in attachment B of the Final Modification Report) is attached.

Yours sincerely,



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Commercial Analyst

**Transco operates in the UK
and is a part of BG plc**

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MODIFICATION 0220

ROUGH SERVICES 1998/99 (CORE)

SECTION R: BG STORAGE FACILITIES

Amend paragraph 2.3:

"2.3 Rough - Space Only"

Replace paragraph 2.3.2:

"2.3.2 The entitlement of a User to withdraw gas from the Rough Facility in excess of the User's Available Storage Deliverability is limited in accordance with paragraph 6.4."

Delete paragraphs 2.3.3, 2.3.4 and 2.3.5.

Amend paragraph 2.4.1:

2.4.1 "...of the Storage Capacity applied for or registered as held by a User..."

Amend paragraph 3.1.2:

"3.1.2 For each BG Storage Facility the Storage Operator may invite (as to the whole of the Maximum Storage Capacity), applications for Storage Space and/or Storage Deliverability either:..."

Amend paragraph 3.1.3(ii) by deleting "and in the case of" to the end.

Amend paragraph 3.1.8:

"3.1.8 ...included in the Annual Storage Invitation pursuant to paragraph 3.1.3(x) shall be..."

Amend paragraph 3.2.1:

- "(iii) in the case of the Rough Facility, whether Storage Deliverability is being applied for;
- (iv) the amount of the Storage Space and the amount of the Storage Deliverability within the Storage Duration limits in paragraph 2.4.2 for which the application is made;"

Replace paragraph 3.2.2:

"3.2.2 In respect of the Rough Facility an application for Storage Space but not Storage Deliverability must be separate from an application for Storage Space and Storage Deliverability."

Amend paragraph 3.4.1:

"3.4.1 This paragraph 3.4 applies where the Annual Storage Invitation in respect of Storage Deliverability or Storage Space in a BG Storage Facility was made under paragraph 3.1.2(i), and references in this paragraph 3.4 to Storage Capacity are references to Storage Space, Storage Deliverability or both, as appropriate."

Amend paragraph 3.4.3:

"(ii) subject to paragraph 3.4.9, between all Users..."

Amend paragraph 3.4.4:

"(ii) subject to paragraph 3.4.9, allocate the balance..."

Add paragraph 3.4.9:

"3.4.9 In respect of the Rough Facility, after allocations to Preceding Year Users in accordance with paragraphs 3.4.3(i) and 3.4.4(i), the Storage Operator shall allocate Storage Space:

- (i) first, to those Users who applied, pursuant to paragraph 3.2, for Storage Deliverability, in accordance with those applications, but subject to paragraph 3.4.10;
- (ii) thereafter, as to the amount (if any) of the Maximum Storage Space remaining unallocated, to those Users (if any) who applied for Storage Space but not Storage Deliverability, pro rata to the amounts of Storage Space applied for by such Users in accordance with those applications."

Add paragraph 3.4.10:

"3.4.10 Storage Space shall be allocated to each User so that the following conditions are satisfied:

- (i) the aggregate allocated Storage Space shall be equal to the Maximum Storage Space;
- (ii) Storage Space shall be allocated in priority to the inverse of implied Storage Duration (so that applications with lower implied Storage Durations are allocated in priority to those with higher implied Storage Durations);

- (iii) the resulting Storage Durations, for all Users who (by reason of paragraphs (i) and (ii)) are not allocated the whole amount of Storage Capacity applied for, shall be equal;

where for any User implied and resulting Storage Duration are Storage Durations determined on the basis of the Storage Capacity allocated pursuant to paragraph 3.4.9 and respectively the Storage Space applied for or (as the case may be) allocated under this paragraph."

Amend paragraph 3.5.1:

- "3.5.1 This paragraph 3.5 applies where the Annual Storage Invitation in respect of Storage Deliverability or Storage Space in a BG Storage Facility was made under paragraph 3.1.2(ii), and references in this paragraph 3.5 to Storage Capacity are references to Storage Space, Storage Deliverability or both, as appropriate."

Amend paragraph 3.5.6:

- "3.5.6 ...for Storage Space and Storage Deliverability (where the Annual Storage Invitation in respect of both is made under paragraph 3.1.2(ii)), "...

Amend paragraph 3.9.2:

- "3.9.2 The Storage Operator may not enter into arrangements in respect of Special Storage Capacity:
- (i) which would conflict in any material way with the rights (other than rights pursuant to paragraph 6.4) under this Section R..."

Amend paragraph 6.2.3:

"...greater than the available withdrawal rate (whether or not determined under paragraph 6.2.5(a)(ii)), the User shall pay..."

Amend paragraph 6.2.5(a):

- "(a) the "available withdrawal rate" is the rate (in kWh/hour) determined as the sum of:
- (i) the Available Storage Deliverability divided by 24; and
- (ii) the lesser of:
- (1) the maximum permissible Interruptible Storage Nomination Quantity (under paragraph 6.4.1) divided by 24;
- (2) where paragraph 6.4.6 applies, the quantity which would be determined under that paragraph, if the proviso to that paragraph did not apply, as

the Users revised Interruptible Storage Nomination Quantity divided by the period (in hours) from the time which the revision takes effect until the end of the Gas Flow Day;

(iii) where the User is a party to an arrangement for Special Storage Capacity, the lesser of:

- (1) the maximum permissible Nomination Quantity thereunder divided by 24;
- (2) following any reduction to the Nomination Quantity, the Users reduced Nomination Quantity divided by the period (in hours) from the time which the revision takes effect until the end of the Gas Flow Day."

Amend paragraph 6.4:

"Withdrawals in excess of Available Storage Deliverability"

Amend paragraph 6.4.1:

"6.4.1 Subject to paragraph 6.4.2 a User holding Storage Capacity in the Rough Facility may make Storage Withdrawal Nominations for a Nomination Quantity which exceeds that User's Available Storage Deliverability if any (the excess being the "Interruptible Storage Nomination Quantity"), provided that the Interruptible Storage Nomination Quantity shall not exceed on any Day 1/50 of the User's Available Storage Space."

Amend paragraph 6.4.2:

"6.4.2 The entitlement of a User (an "Interruptible Storage User") who makes a Storage Withdrawal Nomination pursuant to paragraph 6.4.1 is subject..."

Amend paragraph 6.4.3:

"...as a result of the submission of any Storage Withdrawal Nomination (including pursuant to any arrangement for Special Storage Capacity) or of the circumstances in paragraph 6.4.4:"

Amend paragraph 6.4.6(a):

"6.4.6 In the circumstances in paragraph 6.4.3:

(a) Users' Interruptible Storage Nomination Quantities will be revised so that (insofar as may be secured by such revision):"

"(iii) no User's Interruptible Storage Nomination Quantity is increased,"

"(iv) the revised Interruptible Storage Nomination Quantities are in the same proportions as each User's Available Storage Space;

provided that no Interruptible Storage Nomination Quantity which is a Flexibility Quantity shall be so revised."

Delete paragraphs 6.4.7 and 6.4.8.