

6 October 1998

Network Code Development

To: Shippers, Panel Members & Non-Network Code Parties

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Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0255
"Revision of Booking Rules and Overrun Regime for DM NTS Exit Capacity"**

Please note that The Final Modification Report, Version 002 was signed by Ofgas on 05/10/98 for Modification Proposal No: 0255.

With effect from 06.00 hours on 07/10/98, the new Network Code text resulting from this Modification is detailed below.

Modified Text:

Section B

3.1.4 Delete

3.2 Registration: NTS CSEPS

3.2.1 A User may at any time apply for NTS Exit Capacity ("DM NTS Exit Capacity") (subject to paragraph 3.4) an NTS Connected System Exit Point, subject to and in accordance with this paragraph 3.2.

3.2.2 An application for DM CSEP Exit Capacity at an NTS Connected System Exit Point:

- (a) shall specify
 - (i) the identity of the User;
 - (ii) the Exit Zone;
 - (iii) the amount of DM NTS Exit Capacity applied for; and
 - (iv) the proposed date of registration (in accordance with paragraph 3.2.3);

- (b) shall be submitted not earlier than 6 months nor later (other than in accordance with paragraph 3.2.12) than 4 Days before the proposed date of registration.
- 3.2.3 Subject to paragraph 5.4.2(b), a User may only be registered as holding DM NTS Exit Capacity in respect of an NTS Connected System Exit Point with effect from an Eligible Capacity Registration Date.
- 3.2.4 Transco may reject an application for DM NTS Exit Capacity in respect of an NTS Connected System Exit Point:
 - (i) where the requirements of paragraph 3.2.2 are not complied with,
 - (ii) in accordance with Section V3, or
 - (iii) in accordance with Section J5.10.2.
- 3.2.5 A User may withdraw an application for NTS Exit Capacity at an NTS Connected System Exit Point by so notifying Transco by no later than 17.00 hours on the Day preceding the proposed date of registration (provided that were the User proposes a System Capacity Transfer for which the Transferred System Capacity comprises all or part of the NTS Exit Capacity in any application the User shall not be permitted to withdraw such application after notifying Transco of such proposed System Capacity Transfer).
- 3.2.6 The application will be approved unless withdrawn under paragraph 3.2.5 or rejected in accordance with paragraph 3.2.4 within 3 Days after the application was made.
- 3.2.7 The User (if its application is approved) will be registered as holding DM NTS Exit Capacity at the relevant NTS Connected System Exit Point with effect from the date of registration for the period (the "capacity period") established in accordance with paragraph 3.2.9.
- 3.2.8 A User may apply at any time (in accordance with paragraph 3.2.1) to increase its Registered DM NTS Exit Capacity at a NTS Connected System Exit Point in which case (if its application is approved) paragraph 3.2.7 shall apply in respect of the increased or new DM NTS Exit Capacity.
- 3.2.9 The capacity period, in respect of an NTS Connected System Exit Point, shall be :
 - (i) 12 months after the date of the registration; or
 - (ii) where the User has increased its Registered DM NTS Exit Capacity at the NTS Connected System Exit Point (in accordance with paragraph 3.2.8(i)) 12 months after the date of the latest such registration.

3.2.10 During the capacity period a User's Registered DM NTS Exit Capacity at an NTS Connected System Exit Point shall not be reduced, and (subject to Section V4.3) the registration shall not be termination.

3.2.11 On expiry of the capacity period the User shall cease to be registered as holding DM NTS Exit Capacity at the relevant NTS Connected System Exit Point, but without prejudice to any new registration pursuant to a further application under paragraph 3.2.1.

Add new Clause 3.2A

3.2A Registration : DM Supply Points and non NTS CSEPs

3.2A.1 A User will at any time be deemed to apply for DM NTS Exit Capacity ("DM NTS Exit Capacity") for each Exit Zone in its capacity as :

- (i) the Registered User of any Firm DM LDZ Supply Point Components;
- (ii) the CSEP User of any LDZ Connected System Exit Points; or
- (iii) the Registered User of a Firm NTS Supply Point Component;

subject to and in accordance with this paragraph 3.2A.

3.2A.2 :-

The DM NTS Exit Capacity for each Exit Zone shall be calculated as:-

- (i) the sum of the Supply Point Capacities for all Supply Points in paragraph 3.2A.1. (i) determined in accordance with Section G2.3.2(e); and
- (ii) the sum of the Firm DM LDZ Capacities for all CSEPS in paragraph 3.2A.1. (ii), determined in accordance with paragraph H2.2 and the relevant CSEP Network Exit Agreement; or
- (iii) the Supply Point Capacity of the Supply Point Component in paragraph 3.2A.1(iii), determined in accordance with Section G5.

3.2A.3 A User shall only be registered as holding DM NTS Exit Capacity, in accordance with this paragraph 3.2A in respect of such capacity held by the User as at the 8th of the calendar month, with effect from the 15th of each calendar month and for the period of one calendar month from such date (the "capacity period").

3.2A.4 During the capacity period, a User's Registered DM NTS Exit Capacity shall not be reduced, and (subject to Section V4.3) the registration shall not be terminated.

3.3 Registration: NDM Supply Points

unchanged

3.4 Registration: CSEPsDelete and replace with:-

The CSEP Network Exit Agreement in relation to an NTS Connected System Exit Point may set out rules for the allocation of NTS Exit Capacity subject to and in accordance with Section J5.10. Where the CSEP Network Exit Agreement does not so provide, the provisions of paragraph 3.2 shall apply.

3.5 NTS Exit Charges

unchanged

3.6 Overrun Charges

Delete 3.6.1(i) and (ii) and replace with:-

3.6.1 Subject to paragraphs 3.6.6 and 3.6.7, if for any reason in any calendar month (an "**overrun month**") the quantity of gas offtaken by a User from the System at a Firm NTS Supply Point Component or a NTS Connected System Exit Point, on any Day or Days (each and "**overrun day**") exceeds the User's Available DM NTS Exit Capacity at the relevant NTS Exit Point, the User shall pay a charge ("**NTS Exit Overrun Charge**") in respect of NTS Exit Capacity at that NTS Exit Point in that month.

3.6.2 For the purposes of this paragraph 3.6, in respect of a User at a NTS Exit Point:

(a) the "**overrun quantity**" in respect of an overrun day is the amount by which in the case of a Firm NTS Supply Point or relevant NTS Connected System Exit Point, the User's UDQO in respect of that point exceeds the User's Available DM NTS Exit Capacity at that NTS Exit Point on that Day;

(b) the "**chargeable overrun quantity**" in respect of an overrun month is the largest overrun quantity on any overrun day in that month.

3.6.6

(ii) the chargeable overrun quantity shall be determined by reference to the largest aggregate overrun excess of any overrun day in an overrun month (or if there is more than one such overrun day, the first such overrun day).

3.6.7 Where a User has made an application to increase the NTS Exit Capacity at a Firm NTS Supply Point Component which is subsequently accepted by Transco or a Proposing User has made a Supply Point Confirmation for an increase in NTS Exit Capacity, on any Day or Days where the gas offtaken by the User from the System at the Firm NTS Supply Point Component exceeds the User's Available DM NTS Exit Capacity at such Supply Point, but does not exceed the User's Available DM Exit

Capacity following the effective date of such application or confirmation, then no NTS Overrun Charge shall be payable in respect of such Day or Days.

5.1 Basis of transfer

5.1.1 A User (the "**Transferor User**") may transfer all or part of:

(i); and/or

(ii) its Available NTS Exit Capacity in respect of a NTS CSEP booked in accordance with the relevant CSEP Ancillary Agreement or in accordance with paragraph 3.2 to another User (the "**Transferee User** "), subject to and in accordance with this paragraph 5.

Section G 3.2.4 delete

Section J

J5.8.1

(ix); and

(x) will for a NTS CSEP specify the method by which NTS Exit Capacity shall be allocated and registered to the CSEP User or shall reference the CSEP Ancillary Agreement which specifies the method by which NTS Exit Capacity shall be booked by the CSEP User.

J5.10. Change all references in paragraph 5.10 from relevant Connected System Exit Points to "relevant NTS connected System Exit Points."

5.10.1 Unchanged

5.10.2 Without prejudice to any provisions for allocation of NTS Exit Capacity contained in the CSEP Network Exit Agreement or any CSEP Ancillary Agreement, or the further provisions of this paragraph 5.10, Transco shall be entitled to reject any application for (or for an increase in) NTS Exit Capacity at a relevant Connected System Exit Point where the requirement in paragraph 5.10.1 would be infringed if it accepted such application.

5.10.3 Transco may agree, pursuant to the CSEP Network Exit Agreement or CSEP Ancillary Agreement, and subject to any conditions contained in such Agreement, that with effect from the expiry of the capacity period (as defined in such Agreement) in respect of any prevailing registration in the name of any User of NTS Exit Capacity at an NTS Connected System Exit Point, the User shall be entitled to apply for and may

be registered (in priority to any other User) as holding NTS Exit Capacity in an amount subject to such prevailing registration.

TRANSITION DOCUMENT PART II

Delete B 3.2

B3.2.9

B3.6.3

B.3.2.9 For an application for NTS Exit Capacity made by a User for any Exit Point which is not an NTS CSEP where the date of registration is prior to 15th October 1998, the capacity period shall be the period from the date of registration until 06:00 on 15th October 1998. The capacity period for an application made for NTS Exit Capacity by a User for an NTS CSEP where the date of registration is prior to 15th October 1998 shall be calculated in accordance with 3.2.9.

Yours sincerely



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Commercial Analyst.