

07 October 1998

Network Code Development

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Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 271
Interim Capacity Entitlement Arrangements at St. Fergus**

Please note that The Final Modification Report , Version 1.0 dated 01/10/98, as amended by letter from Transco dated 07/10/98, was signed by Ofgas on 07/10/98 for Modification Proposal No: 271

The amended text for the Network Code to take effect for the gas flow day commencing at 06:00 on Friday 9 October 1998 resulting from this Modification is detailed below.

Modified Text:

Draft; 7 October 1998

TRANSITION DOCUMENT, PART II

After paragraph 9 insert a new paragraph 10 as follows:

10. Restricted Entry Capacity

10.1 For the purposes of this paragraph:

- (a) a "**Restricted System Capacity Point**" is an Aggregate System Entry Point specified in the table below;
- (b) the "**Restricted Capacity Factor**" in relation to a Restricted System Capacity Point for any Day is the lesser of one (1) and:
 - (i) the quantity estimated not later than 14:30 hours on the Preceding Day, by Transco (by reference to estimates of supply and demand and such other information as it judges relevant), as the aggregate maximum quantity of gas of which Transco will be able to accept delivery during the Gas Flow Day at the Restricted System Capacity Point, divided by

- (ii) the aggregate of the System Entry Capacity which Users are registered as holding at the Restricted System Capacity Point on the Day;
- (c) a User's "**Available Restricted Capacity**" in relation to a Restricted System Capacity Point for any Day is the User's Available System Entry Capacity multiplied by the Restricted Capacity Factor for that Day.

Table

Aggregate System Entry Point	Relevant multiplier	Period (in Days)	Effective date
St Fergus	8	28	Not specified

- 10.2 This paragraph 10 shall apply in relation to each Restricted System Capacity Point for the period specified in the table in paragraph 10.1, commencing on the effective date specified in the table, or if no such date is specified commencing on the date of the Code Modification pursuant to which such Aggregate System Entry Point was specified as a Restricted System Capacity Point.
- 10.3 Transco will, not later than 14:30 hours on the Preceding Day, notify to all Users the Restricted Capacity Factor for each Restricted System Capacity Point.
- 10.4 In relation to a Restricted System Capacity Point, Sections B2.5 and 2.6 shall not apply, and in lieu thereof the following provisions shall apply;
 - (1) If for any reason on any Day the sum of the User's UDQIs in respect of each System Entry Point comprised in a Restricted System Capacity Point exceeds the User's Available Restricted Capacity for the Restricted System Capacity Point, the User shall pay a charge ("**Restricted Entry Overrun Charge**") in respect of System Entry Capacity at the Restricted System Capacity Point on that Day;
 - (2) The Restricted Entry Overrun Charge shall be calculated as the relevant multiplier (specified in the table in paragraph 10.1) multiplied by the Applicable Daily Rate of the System Entry Capacity Charge multiplied by the overrun quantity;
 - (3) For the purposes of paragraph (2), the overrun quantity is the amount, if any, by which the sum of the User's UDQIs on that Day in respect of each System Entry Point comprised in the Restricted System Capacity Point exceeds the User's Available Restricted Capacity;

- (4) The Restricted Entry Overrun Charge shall be invoiced and payable in accordance with Section S;
 - (5) The amount by which (1) the aggregate of the Restricted Entry Overrun Charges payable by a User in respect of a Restricted System Capacity Point in relation to Days in a month exceeds (2) the amount, if any, which would have been payable in relation to that month by the User under Sections B2.5 and B2.6 in respect of that Restricted System Capacity Point, shall be additional Monthly Adjustment Neutrality Revenue in relation to that month for the purposes of Section F4.5.3 (b)(iv).
- 10.5 For the purposes of Section B2.2.5, the time by which an application for System Entry Capacity at a Restricted System Capacity Point may be withdrawn shall be 13:00 hours on the Day preceding the proposed date of registration.
- 10.6 Transco will not accept any Flexibility Bid pursuant to Section D1.5 for a System Sell at any System Entry Point comprised in a Restricted System Capacity Point for which the Bid Price is negative (as described in Section D2.6).
- 10.7 For the avoidance of doubt, Transco will not be required to take action under Section D1.5 to the extent that there are insufficient Flexibility Bids (open for acceptance pursuant to paragraph 10.6) to avoid the relevant Transportation Constraint at a Restricted System Capacity Point.
- 10.8 A User shall not make an Input Nomination as a result of which the sum of the Implied Nomination Flow Rates under the User's prevailing Input Nominations for System Entry Points comprised in a Restricted System Capacity Point would exceed the rate calculated as 1/24 of the User's Available Restricted Capacity having regard to System Capacity Transfers notified by Transferor Users and Transferee Users prior to the time of such Input Nomination.

Yours sincerely



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