

06/06/2003

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0620**

"Publication of additional forward and option surrender of entry capacity tender information "

Please note that Modification Proposal No 0620 was implemented with effect from 06:00 hours on 06/06/2003. The Final Modification Report, Version 2.0, was signed by Ofgem on 05/06/2003.

The new Network Code text resulting from this Modification follows.

Modified Text:

SECTION B

Amend paragraph 2.8.8 as follows:

“For the purposes ...:

“**Forward Agreement**” means ...;

“**Option Agreement**” means ...;

“**Relevant Forward Combination**” means a specific combination of Aggregate System Entry Point and forward delivery period as set out in a valid tender offer submitted to Transco pursuant to a Tender Invitation Notice;

“**Relevant Option Combination**” means a specific combination of Aggregate System Entry Point and option exercise period as set out in a valid tender offer submitted to Transco pursuant to a Tender Invitation Notice; and

“Tender Invitation Notice” means”

Amend paragraph 2.8.9 as follows:

“(a) Where, in respect of a Relevant Forward Combination and pursuant to a Tender Invitation Notice, Transco enters into Forward Agreement(s) with Users...giving effect to this paragraph (a), it shall publish on the Business Day following that on which it enters into such Forward Agreement(s) and in respect ...:

(i) ...Firm System Entry Capacity for that Relevant Forward Combination pursuant to that Tender Invitation Notice;

(ii) ... received by Transco for that Relevant Forward Combination pursuant to that Tender Invitation Notice;

(iii) ... Firm System Entry Capacity for that Relevant Forward Combination pursuant to that Tender Invitation Notice;

(iv) ... Firm System Entry Capacity for that Relevant Forward Combination pursuant to that Tender Invitation Notice;

(v) in respect of such Forward Agreement(s), the volume weighted average price ...;

(vi) in respect of such Forward Agreement(s), the aggregate quantity ... ;

(vii) in respect of such Forward Agreement(s), the minimum price ... ; and

(viii) in respect of such Forward Agreement(s), the maximum price

(b) Where, in respect of a Relevant Option Combination and pursuant to a Tender Invitation Notice, Transco enters into Option Agreement(s) with Users... giving effect to this paragraph (b), it shall publish on the Business Day following that on which it enters into such Option Agreement(s):

(i) ... Firm System Entry Capacity for that Relevant Option Combination pursuant to that Tender Invitation Notice;

- (ii) ... received by Transco for that Relevant Option Combination pursuant to that Tender Invitation Notice;
 - (iii) ... Firm System Entry Capacity for that Relevant Option Combination pursuant to that Tender Invitation Notice;
 - (iv) ... Firm System Entry Capacity for that Relevant Option Combination pursuant to that Tender Invitation Notice;
 - (v) in respect of such Option Agreement(s), the volume weighted average strike price ...;
 - (vi) in respect of such Option Agreement(s), the aggregate quantity ...;
 - (vii) in respect of such Option Agreement(s), the minimum strike price ...; and
 - (viii) in respect of such Option Agreement(s), the maximum strike price
- (c) ...this paragraph (c), Transco ...:
- (i) ...; and
 - (ii)
- (d) Where, after the date of implementation of the modification proposal giving effect to this paragraph (d) and pursuant to a Tender Invitation Notice, Transco receives valid tender offers in respect of a Relevant Forward Combination but Transco does not enter into any Forward Agreements with Users in respect of that Relevant Forward Combination pursuant to that Tender Invitation Notice, it shall nevertheless publish, within four Business Days following the last Day on which such tender offers may have been submitted to Transco pursuant to that Tender Invitation Notice, and in respect of each Gas Flow Day in the relevant forward delivery period:
- (i) the volume weighted average price in respect of all valid offers received by Transco for the surrender of Firm System Entry Capacity for that Relevant Forward Combination pursuant to that Tender Invitation Notice;

- (ii) the aggregate quantity of Firm System Entry Capacity for which valid offers to surrender were received by Transco for that Relevant Forward Combination pursuant to that Tender Invitation Notice;
 - (iii) the minimum price offered by Users in valid offers for the surrender of Firm System Entry Capacity for that Relevant Forward Combination pursuant to that Tender Invitation Notice; and
 - (iv) the maximum price offered by Users in valid offers for the surrender of Firm System Entry Capacity for that Relevant Forward Combination pursuant to that Tender Invitation Notice.
- (e) Where, after the date of implementation of the modification proposal giving effect to this paragraph (e) and pursuant to a Tender Invitation Notice, Transco receives valid tender offers in respect of a Relevant Option Combination but Transco does not enter into any Option Agreements with Users in respect of that Relevant Option Combination pursuant to that Tender Invitation Notice, it shall nevertheless publish within four Business Days following the last Day on which such tender offers may have been submitted to Transco pursuant to that Tender Invitation Notice:
 - (i) the volume weighted average strike price in respect of all valid offers received by Transco for the surrender of Firm System Entry Capacity for that Relevant Option Combination pursuant to that Tender Invitation Notice;
 - (ii) the aggregate quantity of Firm System Entry Capacity for which valid offers to surrender were received by Transco for that Relevant Option Combination pursuant to that Tender Invitation Notice;
 - (iii) the minimum strike price offered by Users in valid offers for the surrender of Firm System Entry Capacity for that Relevant Option Combination pursuant to that Tender Invitation Notice; and

- (iv) the maximum strike price offered by Users in valid offers for the surrender of Firm System Entry Capacity for that Relevant Option Combination pursuant to that Tender Invitation Notice.”

TRANSITION DOCUMENT PART II

Insert a new paragraph 8.1.4B as follows:

“B2.8.9 Sections B2.8.9(d) and (e) shall apply in respect of Tender Invitation Notices issued on or after 11 February 2003 save that in respect of the period from 11 February 2003 to the date of the implementation of the modification proposal giving effect to this paragraph 8.1.4B, the references to the date by which information is to be provided shall instead be to the first Business Day following the implementation of such modification proposal.”

Yours sincerely,

Julian Majdanski
Modification Panel Secretary