

07/03/2002

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0496**

"Improvements to NDM Demand Determination"

Please note that Modification Proposal No 0496 was implemented with effect from 06:00 hours on 01/10/2002. The Final Modification Report, Version 4.0, was signed by Ofgem on 07/03/2002.

The new Network Code text resulting from this Modification follows.

Modified Text:

SECTION H: DEMAND ESTIMATION AND DEMAND FORECASTING

Amend paragraph 1.1.3 to read as follows:

- "
- (ii)(inclusive of LDZ shrinkage);
- (iii) at the level of LDZ Aggregate NDM Points, exclusive of shrinkage."

Add new paragraph 1.1.5 to read as follows:

"1.1.5 For the purposes of the Code "LDZ Aggregate NDM Points" are in relation to an LDZ all the NDM Supply Point Components and all relevant Connected System Exit Points in the LDZ."

Amend paragraph 1.3.1 to read as follows:

"which estimates, for an LDZ, an End User Category or LDZ Aggregate NDM Points, by reference to variables.....the EUC Sample or (as the case may be) LDZ Aggregate NDM Points."

Amend paragraph 1.3.2 to read as follows:

"to an LDZ, an End User Category or LDZ Aggregate NDM Points is the....End User Category or LDZ Aggregate NDM Points in accordance ..."

Amend paragraph 1.5.1 to read as follows:

"for an LDZ, an EUC Sample or LDZ Aggregate NDM Points for any Day...."

Amend paragraph 1.7.1 to read as follows:

"
....
(c)

(ii);

(iii); and

(iv) a Demand Model for LDZ Aggregate NDM Points,

which...."

Amend paragraph 1.7.2 to read as follows:

"The relevant data is:

- (i) the demand data for each Sampled NDM Supply Point Component referred to in paragraph 1.6;
- (ii) the demand data for LDZ Aggregate NDM Points (such demand data being the LDZ Daily Quantity Offtaken less the aggregate sum for quantities offtaken at all DM Supply Point Components and relevant Connected System Exit Points in the LDZ and adjusted by deducting LDZ shrinkage); and
- (iii) demand data and daily values...."

Amend paragraph 2.4.2 to read as follows:

"

$$DAF_t = (WVCE_t / SNDE_t) / (WVCN_t / SNDN_t)$$

....

$WVCN_t$ in the Demand Model for the LDZ Aggregate NDM Points for the relevant LDZ;

$SNDN_t$ is the value of seasonal normal demand for LDZ Aggregate NDM Points for the relevant LDZ;”

In paragraph 2.5 delete defined term ‘DMD_t’ (and definition thereof) and amend paragraph to read as follows:

“....

$$SF_t = ASD_t / NDMD_t$$

$$WCF_t = (ASD_t - SNDN_t) / SNDN_t$$

....

ASD_t is:

- (i) for the purposes of Nomination Determination, Forecast LDZ Demand (at the relevant time of Nomination Determination) determined in accordance with paragraph 5.2 less the aggregate sum of DM Output Nominations (at the relevant time of Nomination Determination) at all DM Supply Point Components and relevant Connected System Exit Points in the LDZ and adjusted by deducting LDZ shrinkage;
- (ii) for the purposes of Offtake Determination, that quantity comprised in the LDZ Daily Quantity Offtaken attributable to NDM Supply Point Components and relevant Connected System Exit Points (determined as the LDZ Daily Quantity Offtaken less the aggregate sum for quantities offtaken at all DM Supply Point Components and relevant Connected System Exit Points in the LDZ and adjusted by deducting LDZ shrinkage);

$SNDN_t$ has the meaning in paragraph 2.4.2;

$NDMD_t$ is the aggregate....”

Amend paragraph 3.4.2 to read as follows:

"the value of demand for the LDZ Aggregate NDM Points determined from the Applicable...."

Amend paragraph 4.4.2(i) to read as follows:

“for the purposes of determining the values of ‘ALP_t’, DAF_t’ and SNDN_t, Day ‘t’ is the Day of the highest seasonal normal demand under the Applicable Demand Model for the relevant LDZ Aggregate NDM Points;”

Amend paragraph 4.4.2(ii) to read as follows:

“... is the 1-in-20 peak day demand for the relevant LDZ Aggregate NDM Points ~~(including both Firm and Interruptible Supply Points)~~; and”

SECTION W: INTERPRETATION

Amend paragraph 2.6.3 to read as follows:

"....

- (i)System Exit Points or LDZ Aggregate NDM Points, are exclusive of shrinkage;
- (ii)"

Yours sincerely,

Julian Majdanski
Modification Panel Secretary