

09/07/2002

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0497**

"Top-up Manager's Methods For Accessing Storage Deliverability"

Please note that Modification Proposal No 0497 will be implemented with effect from 06:00 hours on 10/07/2002. The Final Modification Report, Version 1.0, was signed by Ofgem on 08/07/2002.

The new Network Code text resulting from this Modification follows.

Modified Text:

SECTION K: OPERATING MARGINS

Add new paragraph 3.9 to read as follows:

“Transfers of Storage Deliverability

For the purposes of avoiding or reducing the liability of a Relevant System Manager to pay Storage Overrun Charges under Section Z or equivalent charges under other Storage Terms in respect of the withdrawal of gas on any Day from a Storage Facility, Transco may on behalf of a Relevant System Manager make, subject to the relevant Storage Terms, a Storage Gas Transfer in favour of another Relevant System Manager.” 'Storage Gas Transfer' defined in Section R1.5(g) to include transfer of Storage Deliverability.

SECTION P: TOP-UP STORAGE

Amend paragraph 2.2.1 to read as follows:

“(ii)

(iii) whether, and if so the amount (the “**aggregate top-up deliverability requirement**”) by which the sum of Allocated Storage Deliverability and top-up constrained deliverability is less than the Storage Deliverability Requirement;

- (iv) whether, and if so the amount (the “**aggregate top-up space requirement**”) by which the sum of Allocated Storage Space and the top-up constrained space requirement is less than the Storage Gas Requirement;
- (v) the:
 - (a) amount (the “**top-up space requirement**”) of Storage Space, ascertained in respect of each Storage Facility by allocating the aggregate top-up space requirement between Storage Facilities;
 - (b) amount (the “**top-up deliverability requirement**”) of Storage Deliverability in respect of each Storage Facility consistent with the top-up space requirement in respect of such facility and the relevant Storage Terms; and
 - (c) (the “**top-up flow rate requirement**”), being the amount of Storage Deliverability ascertained in respect of each Storage Facility which is not less than the top-up deliverability requirement in respect of such facility and which in aggregate for all Storage Facilities is not less than the aggregate top-up deliverability requirement.

in each case in accordance with the objective in paragraph 2.4, but subject to Transportation Constraints anticipated to affect the withdrawal of gas from any such facility;
- (vi) for each Storage Facility the sum:
 - (a) (the “**Top-up Space Requirement**”) of the top-up constrained space requirement and the top-up space requirement;
 - (b) (the “**Top-up Deliverability Requirement**”) of the top-up constrained deliverability requirement and the top-up deliverability requirement; and
 - (c) (the “**Deliverability Requirement**”) of the top-up constrained deliverability requirement and the top-up flow rate requirement.”

Add new paragraph 2.2.5 to read as follows:

“Following the time at which the Top-up Manager makes its initial determination in respect of a Storage Year under paragraph 2.2.1 or any redetermination under paragraph 2.2.3, where a User is registered as holding additional Storage Deliverability in a Storage Facility:

- (a) pursuant to an application to the relevant Storage Operator; or
- (b) following the surrender of Storage Deliverability by the Top-up Manager under paragraph 4,

the Deliverability Requirement in respect of the Storage Facility shall be reduced from such time by an amount equivalent to the additional Storage Deliverability registered as held by the User."

Amend paragraph 2.4.1 to read as follows:

"in particular when making determinations under paragraph 2.2.1(iii) to (vi), allocate relevant requirements....

....

(ii)(ascertained at the date of its application) and the making of Storage Gas Transfers (in accordance with Section K3.9)."

Amend paragraph 2.8.1 to read as follows:

"

(iv)with paragraph 2.9; and

(v) the Top-up Manager will redetermine the top-up flow rate requirement for each Storage Facility subject to the relevant Storage Terms.

Amend paragraph 2.8.2 to read as follows:

" ..Top-up Space Requirement, Top-up Deliverability Requirement and Deliverability Requirement in accordance with paragraph 2.8.1(b)(ii) or (as the case may be) 2.8.1(v), references in this Section P...."

Amend paragraph 5.2.4 to read as follows:

"(ii)

(a) without prejudice to paragraph (b), in respect of a Storage Facility;

(b) in respect of a Storage Facility in relation to which the Total Deliverability Requirement exceeds the Top-up Manager's Available Storage Deliverability, the Total Deliverability Requirement;

(c) in respect of a Constrained Storage Facility,after the time referred to in paragraph (i);"

Yours sincerely,

Julian Majdanski
Modification Panel Secretary