

09/08/2000

Dear Colleague,

NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0417

"Revisions to the Capacity Incentive"

Please note that Modification Proposal No 0417 will be implemented with effect from 06:00 hours on 01/10/2000. The Final Modification Report, Version 1.0, was signed by Ofgem on 08/08/2000.

The new Network Code text resulting from this Modification follows.

Modified Text:

SECTION B: SYSTEM USE AND CAPACITY

Amend paragraph 2.11.3 (a) to read as follows:

“

(ARCC - ACIC) - (ARCR - ACIR)

....

ACIR is the aggregate of the Capacity Incentive Revenues
for all Aggregate System Entry Points;

(b)....”.

Delete paragraphs 2.11.3(e), (f), (g) and (h).

Amend paragraph 2.11.5(a)(i) and (ii) to read as follows:

“....each Aggregate System Entry Point and each calendar month, Transco shall pay to each
relevant User....

(i)....

$$CIR * URC / ARC$$

where:

CIR is the Capacity Incentive Revenues,

....

(ii)....

$$CIR * AURC / AARC$$

where:

CIR is the Capacity Incentive Revenues,
....”

Delete paragraph 2.11.5(c).

Amend paragraph 2.11.7 to read as follows:

“....Capacity Cost Neutrality Charges and Capacity Neutrality Adjustment shall be invoiced and payable in accordance with Section S.”.

Delete paragraphs 2.11.10 and 2.11.11.

SECTION S: INVOICING AND PAYMENT

Delete paragraph 2.4.8.

TRANSITION DOCUMENT PART II, PARAGRAPH 8

Delete paragraph 8.10.4.

Add new paragraph 8.15.2A to read as follows:

“S2.4.8 Transco will by not later than 31 December 2000 submit (as an Ad-hoc Invoice) an Invoice Document in relation to each month in the Gas Year 1999/2000 in respect of which amounts are payable to Transco pursuant to the provisions of the Code given effect by the implementation of Modification 0382 on 1 April 2000, and which have been removed, by virtue of Modification 0417 which gives effect to this paragraph, with effect from the date of the implementation of such latter Modification.”.

Yours sincerely,

Julian Majdanski
Modification Panel Secretary