

24/12/96

Service Development

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Dear Colleague,

NOTICE OF IMPLEMENTATION

MODIFICATION 0101

Balancing Margins Flexibility Bids

Please note that Proposal 0101 was implemented effective from 06:00 24/12/96.

The Report was signed by Ofgas 20/12/96. The Modified text resulting from this modification is detailed below,

Modified Text:

Transition Document Part II paragraph 8

Section P

Amend what is provided in respect of Section P5 (without prejudice to its former application in relation to the Storage Year 1995/96), so as to apply in respect of the Storage Year 1996/97, as set out below.

Delete paragraph (1) and replace with the following:

- "(1) In the Storage Year 1996/97, in addition to Top-Up Flexibility Bids made pursuant to Section P5, the Top-up Manager will utilise Balancing Margins to make separate Top-up Flexibility Bids (and where applicable Top-Up Flexibility Bids under Section P5.2.5) in relation to the Storage Connection Point of the Rough Facility (such bids being "**Balancing Margins Flexibility Bids**"),"

In paragraph (2), delete paragraph (iii) and replace with the following:

"(iii) for the purposes of Section P5.2.4, references to the Top-up Bid Price shall be to the highest Top-up Bid Price in respect of any Top-up Storage Facility for the relevant Day."

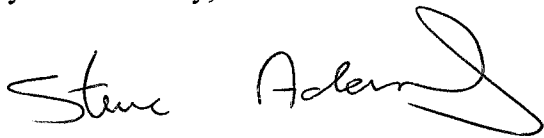
In paragraphs (3) and (4), replace "Top-up Flexibility Bids" with "Balancing Margins Flexibility Bid".

Amend paragraph (4) to begin "In relation to Balancing Margins Flexibility Bids, in lieu of"

Add a new paragraph (5) as follows:

"(5) TransCo will accept a Top-up Flexibility Bid before accepting a Balancing Margins Flexibility Bid having the same Bid Price as such Top-up Flexibility Bid"

yours faithfully,

A handwritten signature in black ink, appearing to read "Steve Adams", with a stylized flourish at the end.

Steve Adams
Commercial Analyst