

22/01/2001

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0424**

"Payment Mechanism for Closing Top-up Adjustment Amount"

Please note that Modification Proposal No 0424 will be implemented with effect from 06:00 hours on 23/01/2001. The Final Modification Report, Version 2.0, was signed by Ofgem on 15/01/2001.

The new Network Code text resulting from this Modification follows.

Modified Text:

SECTION P: TOP-UP STORAGE

Renumber existing paragraphs 6.6.1 and 6.6.2 as paragraphs 6.6.2 and 6.6.3 and add text at paragraph 6.6.1 to read as follows:

"In respect of each Storage Year the Top-up Manager will as soon as reasonably practicable in the following Storage Year determine the Closing Top-up Adjustment Amount and where such amount is negative the Top-up Manager shall pay to each relevant User an amount calculated in accordance with paragraph 6.6.3."

Delete text at renumbered paragraph 6.6.3 and insert text to read as follows:

"Where an amount is payable by the Top-up Manager in accordance with paragraph 6.6.1, the Top-up Manager shall pay each relevant User an amount calculated as the Closing Top-up Adjustment Amount divided by the sum of all relevant UDQOs for each Day in the Top-up Recovery Period multiplied by the sum of the relevant User's UDQOs for each Day in the Top-up Recovery Period."

Add new paragraph 6.6.4 to read as follows:

"For the purposes of paragraph 6.6.3 'relevant User' and 'relevant UDQOs' have the meanings given in paragraph 6.4.2."

TRANSITION DOCUMENT, PART II

Amend paragraph 8.12(6) to read as follows:

"For the purposes of Section P6:

(a) Top-up Costs shall not include Constrained Top-up Costs and Top-up Revenues shall not include Constrained Top-up Revenues; and

(b) the Out-turn Closing Top-up Amount shall not include Constrained Top-up Revenues and the Provisional Closing Top-up Amount shall not include Constrained Top-up Costs."

Yours sincerely,

Julian Majdanski
Modification Panel Secretary