01/03/2001

Dear Colleague,

NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0433

"Change to System Cash Out Prices"

Please note that Modification Proposal No 0433 will be implemented with effect from 06:00 hours on 01/04/2001. The Final Modification Report, Version 6.0, was signed by Ofgem on 01/03/2001.

The new Network Code text resulting from this Modification follows.

Modified Text:

SECTION D OPERATIONAL BALANCING, TRADING ARRANGEMENTS AND ENERGY BALANCING INCENTIVES

Amend paragraph 3.1.1 to read as follows:

"….

(i) System Marginal Incentive Buy Price differs from the System Average Price; and

(ii) System Marginal Incentive Sell Price differs from the System Average Price.".

Amend paragraph 3.1.3 to read as follows:

"(a) ….

((SMIBP – SAP) / SAP) * 100

….

((SAP – SMISP / SAP) * 100

….

SAP is the System Average Price;

SMISP is the System Marginal Incentive Sell Price;

SMIBP is the System Marginal Incentive Buy Price

….".

Add text at paragraph 3.1.5 to read as follows:

(d) ….; New paragraph 3.1.5(d) added by Modification 0373.

(e) for each Day the "**System Marginal Incentive Buy Price**" is the higher of the System Average Price and the price in pence/kWh which is equal to the highest Market Offer Price in relation to a Market Balancing Action taken for that Day; and

(f) for each Day the "**System Marginal Incentive Sell Price**" is the lowest of the System Average Price and the price in pence/kWh which is equal to the lowest Market Offer Price in relation to a Market Balancing Action taken for that Day.".

SECTION F SYSTEM CLEARING, BALANCING CHARGES AND NEUTRALITY

Amend paragraph 1.2.1 to read as follows:

"Subject to paragraphs 1.2.2 and 1.2.5, for each Day:

(i) the "**System Marginal Buy Price**" is the greater of:

(a) the System Average Price plus 0.0287 pence/kWh; and

(b) the price in pence/kWh which is equal to the highest Market Offer Price in relation to a Market Balancing Action taken for that Day;

(ii) the "**System Marginal Sell Price**" is the lesser of:

(a) the System Average Price less 0.0324 pence/kWh; and

(b) the price in pence/kWh which is equal to the lowest Market Offer Price in relation to a Market Balancing Action taken for that Day;

(iii) the "**System Average Price**" for ….".

Yours sincerely,

Julian Majdanski
Modification Panel Secretary