

12/02/2003

Dear Colleague,

**NOTICE OF IMPLEMENTATION  
MODIFICATION PROPOSAL No: 0588**

"Publication of further forward and option entry capacity information"

Please note that Modification Proposal No 0588 was implemented with effect from 06:00 hours on 12/02/2003. The Final Modification Report, Version 3.0, was signed by Ofgem on 12/02/2003.

The new Network Code text resulting from this Modification follows.

**Modified Text:**

**TRANSITION DOCUMENT PART II**

Insert a new paragraph 8.1.4A as follows:

“B2.8.9

- (1) Sections B2.8.9 (a), (b) and (c) shall apply with effect from 1 April 2002 save that in respect of the period from 1 April 2002 to 25 October 2002 the references to the date by which information is to be provided shall instead be to the first Business Day following the implementation of the modification proposal giving effect to this paragraph 8.1.4A. Notwithstanding the foregoing or the provisions of Sections B2.8.9 (a), (b) and (c), there shall be no obligation on Transco to provide any information which shall or may be in breach of any of the confidentiality provisions of a Forward Agreement or an Option Agreement entered into on or prior to 25 October 2002 unless and until Transco shall have received, in a form acceptable to it, a waiver from that User in respect of the confidentiality of all such information.
- (2) For the purposes of paragraphs (3) and (4) below:  
  
“**Relevant Forward Combination**” means a specific combination of Aggregate System Entry Point and forward delivery period as set out in a valid tender offer submitted to Transco pursuant to a Tender Invitation Notice; and

**“Relevant Option Combination”** means a specific combination of Aggregate System Entry Point and option exercise period as set out in a valid tender offer submitted to Transco pursuant to a Tender Invitation Notice.

- (3) Where, pursuant to a Tender Invitation Notice issued by Transco in the period between 1 April 2002 and 10 February 2003 only (both dates inclusive), Transco received valid tender offers in respect of a Relevant Forward Combination but Transco did not enter into any Forward Agreements with Users in respect of that Relevant Forward Combination pursuant to that Tender Invitation Notice, it shall nevertheless publish, on the first Business Day following the implementation of the modification proposal giving effect to this paragraph 8.1.4A, and in respect of each Gas Flow Day in the relevant forward delivery period:
- (i) the volume weighted average price in respect of all valid offers received by Transco for the surrender of Firm System Entry Capacity for that Relevant Forward Combination pursuant to that Tender Invitation Notice;
  - (ii) the aggregate quantity of Firm System Entry Capacity for which valid offers to surrender were received by Transco for that Relevant Forward Combination pursuant to that Tender Invitation Notice;
  - (iii) the minimum price offered by Users in valid offers for the surrender of Firm System Entry Capacity for that Relevant Forward Combination pursuant to that Tender Invitation Notice; and
  - (iv) the maximum price offered by Users in valid offers for the surrender of Firm System Entry Capacity for that Relevant Forward Combination pursuant to that Tender Invitation Notice.
- (4) Where, pursuant to a Tender Invitation Notice issued by Transco in the period between 1 April 2002 and 10 February 2003 only (both dates inclusive), Transco received valid tender offers in respect of a Relevant Option Combination but Transco did not enter into any Option Agreements with Users in respect of that Relevant Option Combination pursuant to that Tender Invitation Notice, it shall nevertheless publish on the first Business Day following the implementation of the modification proposal giving effect to this paragraph 8.1.4A:
- (i) the volume weighted average strike price in respect of all valid offers received by Transco for the surrender of Firm System Entry Capacity for that Relevant Option Combination pursuant to that Tender Invitation Notice;
  - (ii) the aggregate quantity of Firm System Entry Capacity for which valid offers to surrender were received by Transco for that Relevant Option Combination pursuant to that Tender Invitation Notice;

- (iii) the minimum strike price offered by Users in valid offers for the surrender of Firm System Entry Capacity for that Relevant Option Combination pursuant to that Tender Invitation Notice; and
  - (iv) the maximum strike price offered by Users in valid offers for the surrender of Firm System Entry Capacity for that Relevant Option Combination pursuant to that Tender Invitation Notice.
- (5) Notwithstanding the foregoing, there shall be no obligation on Transco to provide any confidential information of a User pursuant to paragraph (3) or (4) above in respect of any such tender offers unless and until Transco shall have received, in a form acceptable to it, a waiver from that User in respect of the confidentiality of all such information.
- (6) This paragraph 8.1.4A shall, from the date of implementation of the modification proposal giving effect to this paragraph 8.1.4A, supersede the provisions of paragraph 8.1.4 above.”

Yours sincerely,

Julian Majdanski  
Modification Panel Secretary