

29/08/2003

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0599**

"Obligation on shrinkage provider to purchase gas at the NBP"

Please note that Modification Proposal No 0599 will be implemented with effect from 06:00 hours on 01/04/2004. The Final Modification Report, Version 2.0, was signed by Ofgem on 29/08/2003.

The new Network Code text resulting from this Modification follows.

Modified Text:

SECTION N: SHRINKAGE

Amend paragraph 4.2.2(a) to read as follows:

“4.2.2 The Shrinkage Provider:

- (a) may purchase gas in respect of shrinkage:
 - (i) provided such terms include a requirement that the Shrinkage Provider and the counterparty shall give effect to the sale and purchase of shrinkage gas by making Trade Nominations in accordance with Section C6; and
 - (ii) save for the requirement in (i) above, on such other terms as it thinks fit;”

Amend paragraph 4.2.2(e) to read as follows:

“4.2.2.(e) shall not be required to apply for and pay for NTS Exit Capacity, LDZ Capacity or Commodity Charges; and require (in respect of LDZ Shrinkage) gas flows at NTS/LDZ Offtakes without incurring Overrun Charges under Section B. “

Yours sincerely,

Julian Majdanski
Modification Panel Secretary