21/09/2004

Dear Colleague,

NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0692

"Provision of Shrinkage Information : Gas Procurement & Disposals"

Please note that Modification Proposal No 0692 will be implemented with effect from 06:00 hours on 01/10/2004. The Final Modification Report, Version 1.0, was signed by Ofgem on 20/09/2004.

The new Network Code text resulting from this Modification follows.

Modified Text:

Draft Legal Text

SECTION N

Insert a new paragraph 4.6 as follows:

"4.6 Information Provision

4.6.1 For the purposes of this paragraph 4.6:

(a) **"relevant shrinkage disposals"** shall mean all gas disposed of by the Shrinkage Provider, which gas had previously been purchased by the Shrinkage Provider in respect of NTS shrinkage for the relevant Gas Flow Day;

(b) **"relevant shrinkage purchases"** shall mean all gas purchased by the Shrinkage Provider in respect of NTS shrinkage for the relevant Gas Flow Day;

(c) prices shall be quoted in pence per kWh and, to the extent that the Shrinkage Provider is reasonably able to do so, shall take into account any discounts or premiums applied or charged in respect of relevant shrinkage purchases or relevant shrinkage disposals, provided the amount of such discounts and premiums were known to the Shrinkage Provider at the time of the calculation of the relevant prices and were reasonably able to be applied to one or more relevant shrinkage purchases or relevant shrinkage disposals;

(d) where the Shrinkage Provider has entered into a transaction for an amount on each Gas Flow Day for a specific period it shall, for the purpose of calculating the number of transactions entered into, be deemed to be a separate transaction in respect of each and every Gas Flow Day to which it relates; and

(e) whilst all information published by the Shrinkage Provider will so far as reasonably practicable be reflective of the information in its possession at a time as close as reasonably practicable to the time of publication, it will not be reflective of information which comes into its possession subsequently (or of any subsequent relevant shrinkage purchases or relevant shrinkage disposals in respect of the relevant Gas Flow Day), will not bind Transco or the Shrinkage Provider and will be without prejudice to the provisions in this Section N and elsewhere in the Code whether to later adjustment, assessment, reconciliation or otherwise.

4.6.2 The Shrinkage Provider shall, no later than the end of the fifth Day following the relevant Gas Flow Day (or, if such Day is not a Business Day, the end of the first Business Day thereafter), publish the following information (where such information is available) in relation to relevant shrinkage purchases and relevant shrinkage disposals made in respect of that Gas Flow Day:

(a) the net quantity of gas purchased (being the quantity derived as the aggregate quantity of gas purchased pursuant to relevant shrinkage purchases less the aggregate quantity of gas disposed of pursuant to relevant shrinkage disposals);

(b) the aggregate quantity of gas purchased pursuant to relevant shrinkage purchases;

(c) the aggregate quantity of gas disposed of pursuant to relevant shrinkage disposals;

(d) the aggregate number of transactions entered into in respect of relevant shrinkage purchases;

(e) the aggregate number of transactions entered into in respect of relevant shrinkage disposals;

(f) the weighted average price of relevant shrinkage purchases;

(g) the weighted average price of relevant shrinkage disposals;

(h) the minimum price paid under a transaction for a relevant shrinkage purchase;

(i) the maximum price paid under a transaction for a relevant shrinkage purchase;

(j) the minimum price received under a transaction for a relevant shrinkage disposal; and

(k) the maximum price received under a transaction for a relevant shrinkage disposal."

Yours sincerely,

Julian Majdanski
Modification Panel Secretary