22/02/2005

Dear Colleague,

NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0698

"Requirement for Publication of Transco's Billed Charges against target"

Please note that Modification Proposal No 0698 will be implemented with effect from 06:00 hours on 01/03/2005. The Final Modification Report, Version 3.0, was signed by Ofgem on 21/02/2005.

The new Network Code text resulting from this Modification follows.

Modified Text:

SECTION V

Insert a new paragraph 5.12 as follows:

"**5.12 Transportation Revenue Information**

In each calendar month Transco shall (subject to any confidentiality obligations to which it may from time to time be subject) arrange for the relevant information referred to in Annex V-3 (for the purposes of this paragraph 5.12 and Annex V-3, "**transportation revenue information**") to be published on such website as may be notified by Transco to Users from time to time, within 15 Business Days following the end of the immediately preceding calendar month (for the purposes of this paragraph 5.12 and Annex V-3, the **"immediately preceding month"**)."

Insert a new Annex V-3 at the end of Section V to read as follows:

"Annex V-3 – Transportation Revenue Information

1. For the purposes of paragraph 5.12 the transportation revenue information is forecast revenue and actual revenue, for the immediately preceding month and each calendar

month prior thereto in the relevant Formula Year, in each case in respect of each of the categories of charges referred to in Table 1 below.

2. For the purposes of this Annex V-3:

2.1 save as provided below, each of the categories of charges referred to in Table 1 below shall be consistent with those set out in the Transportation Statement and shall include any charges subsequently introduced in substitution for any of the same;

2.2 **"forecast revenue"** shall mean Transco's estimate of the revenue to be recovered in respect of each relevant calendar month, using such criteria as Transco shall reasonably consider appropriate and having regard to the provisions of the Transportation Statement and any revenue or price control restrictions to which it may be subject from time to time (it being acknowledged that such estimate may be subject to revision from time to time);

2.3 **"actual revenue"** shall mean such amount reasonably determined by Transco on an accruals basis (based on such information as is reasonably available to it at the relevant time) of revenue recovered or to be recovered in respect of each relevant calendar month (it being acknowledged that such amount may be subject to re-determination from time to time); and

2.4 **"relevant Formula Year"** shall mean the Formula Year in which the immediately preceding month falls.

Table 1 – Categories of Charges

- System Entry Capacity charges
- NTS (TO) exit capacity charges
- NTS (TO) commodity charges
- NTS (SO) commodity charges

- Transportation activity charges in respect of each distribution network (being all LDZ related charges referred to in the Transportation Statement in so far as such charges are relevant to that distribution network).”

Yours sincerely,

Julian Majdanski
Modification Panel Secretary