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Transco Ref: CO90
Our Ref: net/cod/mod/626
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15 October 2004

Dear Mike,

**Application for Consent to Modify Transco's Network Code in relation to Modification 626
'Structure of the NTS System Operator Commodity Charge'**

I refer to Transco's application to the Gas and Electricity Markets Authority ('the Authority') for consent to modify Transco's Network Code to address legal text anomalies resulting from the implementation of modification 626 'Structure of the NTS System Operator (SO) Commodity Charge' on 1 October 2004. This modification would amend the legal text of modification 626 which was approved by Ofgem on 14 July 2004.

The proposed legal text corrects inconsistencies created due to the staggered implementation of modification 626 and modification 680 'Recompense in the Event of Late Completion of Works for New System Entry Points'. Both modifications involved amendments to provision 2.11.1 of Section B of the Network Code regarding capacity and commodity charges payable by Users. The implementation of modification 626 resulted in a change to the calculation of the NTS SO commodity charges while modification 680 made Users exempt from payment of system entry capacity charges where Transco fails to accept gas properly tendered for due to the non-completion of works.

Ofgem considers that this proposed amendment to the legal text of modification 626 represents an improvement to the Network Code. Ofgem has considered Transco's request in accordance with amended standard condition 9 (7)(b) of Transco's Gas Transporters licence and consents to the modification of the Network Code as set out in the 'Application for Consent to Modify the Network Code' - Reference CO90.

If you require any further information on this matter, please do not hesitate to contact me on 020 7901 7474.

Yours sincerely,

A handwritten signature in black ink, appearing to read "L Henderson".

Leigh Henderson,
Network Code Analyst