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Your Ref:

OUf Ref: Net/Code/Mod/506

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30 November 2001

## UK Transco, Shippers and Other Interested Parties

Dear Colleague,

**Modification Proposal 0506: Cancellation of NBP sale trades in the event of a termination of a user.**

Ofgem has considered the request from BG Trading for Modification proposal 0506, "Cancellation of NBP sale trades in the event of a termination of a user" to follow urgent procedures. We agree that this modification merits urgent status.

The modification proposal seeks to introduce a mechanism whereby in the event that a User is terminated all their sale trades at the NBP will be rendered null and void. Any counter party to such trade with a terminated user will be obliged to source gas matching that trade from another seller or purchase that gas from the system.

The timetable proposed by Transco for this modification to follow urgent status is set out below.

Issued to Ofgem for decision on urgency	30 November 2001
Proposal agreed as urgent	30 November 2001
Proposal issued for consultation	30 November 2001
Close out for representations	17:003 December 2001
Final report to Ofgem	17:00 4 December 2001
Ofgem decision expected	17:00 5 December 2001

If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the above number.

Yours sincerely,

Steve Smith  
**Director, Trading Arrangements**