

*Bringing choice and
value to customers*

Direct Dial: 0207-901-7437

22 August 2001

Transco, Shippers and Other Interested Parties

Dear Colleague,

Modification Proposal 0489: Revision to NTS Entry Capacity Auction timetable 2001

Ofgem has considered the request from BG Gas Services Limited for modification proposal 0489, '*Revision to NTS Entry Capacity Auction timetable 2001*' to follow urgent procedures. We agree that this modification merits urgent status.

This modification proposal provides that the start date of the auctions be deferred from Wednesday 29 August 2001 to Tuesday 4 September 2001. Under this modification proposal, the Monthly System Entry Capacity (MSEC) auctions will take place every other working day, namely on 4, 6, 10, 12 and 14 September 2001. There would be no change to the dates on which the Monthly Interruptible System Entry Capacity (MISEC) auctions should be held, which would continue to be 12 and 14 September 2001. However, it is also proposed that the MISEC auctions could be held on 17 and 19 September 2001 if Network Code changes make this easier than keeping two different auction types on the same day.

BG Gas Services has indicated in raising this modification that a delay is necessary to provide the industry with further time to 'ensure that the rules surrounding entry capacity release and buy back are economic and efficient'. In this context BG Gas Services has raised a concern that the entry capacity rules that are implemented for the next series of capacity auctions may result in a sub-optimal cost distribution in the coming months.

Ofgem considers that this modification proposal merits urgent status as the next round of entry capacity auctions are scheduled to commence on 29 August 2001. Ofgem has therefore decided that urgent procedures are necessary for Modification proposal 0489 due to the short period of time left until the commencement of the auctions.

Issued to Ofgem for decision on urgency	21 August 2001
Proposal agreed as urgent	22 August 2001
Proposal issued for consultation	22 August 2001
Close out for representations	23 August 2001
Final report to Ofgem	24 August 2001
Ofgem decision expected	24 August 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,



Mark Feather
Head of RGTA