

Direct Dial: 0207-901-7437

18 January 2001

BG Transco, Shippers and Other Interested Parties

Dear Colleague,

Modification Proposal 0452: 'Removal of Monthly Capacity Incentive Limit Amounts'

Ofgem have considered the request from BG Trading for modification proposal 0452, 'Removal of Monthly Capacity Incentive Limit Amounts' to follow urgent procedures. We agree that this modification merits urgent status.

Ofgem has decided that urgent procedures are necessary for modification proposal 0452 as any changes to Transco's capacity incentives may impact upon bidder strategies in the Monthly System Entry Capacity (MSEC) auctions. These auctions are scheduled to commence on 30 January 2001. Ofgem believes that granting urgent status to this proposal will ensure that the parameters of the capacity incentive regime are confirmed prior to the commencement of the auctions.

Issued to Ofgem for decision on urgency	16 January 2001
Proposal agreed as urgent	18 January 2001
Proposal issued for consultation	19 January 2001
Close out for representations	24 January 2001
Final report to Ofgem	25 January 2001
Ofgem decision expected	28 January 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