

98107/84104



Direct Dial: 0171-932-1658
24 July 1998

Your Ref:
Our Ref : CMS/MOD/20

To: Transco, Shippers and other interested parties

Dear Sir or Madam,

Re: Urgent Modification Proposals 242 and 243

Six modification proposals, reference numbers 242 to 247, have been received from Enron for urgent consideration. These proposals have been formulated by AGAS, Alliance Gas, Enron, Dynegy UK and Shell Gas Direct.

Modifications 244 to 247 were addressed in Ofgas' letter dated 22 July 1998. This letter considers whether proposals 242 (Special Storage Deliverability Services) and 243 (Revision of Rough Services) should follow the urgent modification route.

Urgent Modification proposal 242, Special Storage Deliverability Services

Ofgas considers that the introduction of "use it or lose it" proposals for storage capacity is an important change that needs to be introduced in time for this winter. These proposals offer a different approach to BG Storage's own proposals for the introduction of the Special Rough deliverability service, and should be considered in parallel with them. Ofgas therefore accepts that this modification should follow the urgent route. Transco has agreed that the modification should proceed to the following timetable:-

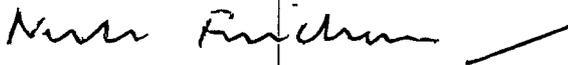
Modification proposal to be circulated to interested parties	Friday 24 July
Consultation responses to Transco	5:00 p.m. Friday 21 August
Final modification report to Ofgas	Friday 28 August
Ofgas decision expected	Friday 4 September
Implementation	ASAP

Ofgas would like to see this modification discussed at the forthcoming storage workstream meeting on Wednesday 29 July.

Urgent Modification proposal 243, Revision of Rough Services

Ofgas accepts that this modification should also follow the urgent route so that implementation is possible at the earliest opportunity. We propose that this modification should follow the same timetable as modification proposal 242, Special Storage Deliverability Services, and be considered in parallel to it. Ofgas would therefore also like to see this modification discussed at the forthcoming storage workstream meeting on Wednesday 29 July.

Yours faithfully



Nick Fincham
Director, Supply Regulation