



Transco, Shippers and Other Interested Parties

Direct Dial: 0171-932-1645

10 January 2000

Dear Colleague,

Re: Modification proposal 245/245a, 'Remove Barriers to On the Day Trading'

Following implementation of modification 313, 'Development of the Energy Balancing Regime to Facilitate Implementation of an On-The-Day Commodity Market', in October 1999, Ofgem believes that the key features of this proposal have now been incorporated into Transco's network code. In consequence, Ofgem believes that this proposal does not better facilitate the relevant objectives of Transco's network code and consent would be inappropriate. It is our view that the aims of this proposal have been overtaken by the introduction of the new regime.

The RGT2 workstream is currently considering further changes to the gas balancing regime. It may be felt that discussion in this forum is considered appropriate.

Yours sincerely

A handwritten signature in black ink that reads "Rebecca Purves". The signature is written in a cursive style and is positioned above a horizontal line.

Rebecca Purves
Head of System Operations