

98/12/29/04



Karen Thompson
Network Code Development
Transco
31, Homer Road
Solihull
West Midlands
B91 3LT

24 December 1998

Dear Karen,

**Re Modification 295 (Trading Daily System Entry Capacity); and
Modification 303 (Increased availability of NTS Daily Entry Capacity)**

Further to Ofgas' approval yesterday of the two modifications, would you please circulate this covering letter to all interested parties.

Ofgas was informed by Transco that it had limited resources available to it for the work required in implementing the modifications. In the absence of mod 303, mod 295 could be in place by 18 January 1999. Approval of mod 303, however, would mean that mod 295 could not be implemented until 1 February 1999.

To a very large extent, mod 303 clarifies the rules and procedures that form the basis of the services offered by mod 273. Ofgas believes it is advisable for mod 273 to be operating as originally intended before implementing the services intended under mod 295. It is for this reason that Ofgas has informed Transco that mod 303 should take priority over 295. In reaching this decision, Ofgas also considered the importance shippers (through their representations) attached to implementation of mod 303.

Ofgas would, however, like to make clear that mod 295 is not unimportant. Even though Transco cannot deliver both modifications simultaneously, it remains important that both 303 and 295 are delivered in a timely and prompt manner.

Should you have any queries, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Amrik Bal".

Amrik Bal
Manager, Transportation