

17 March 1999

**Pricing and Service Strategy**

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Dear Colleague,

**Subject : Mod 0304 - Low Cost Overruns for LNG**

In rejecting Modification 0304, Ofgas indicated they were not opposed to the principle of the modification but believe that it constituted a change to Transco's pricing methodology. Transco has therefore agreed to raise a pricing methodology change proposal, with a view to implementation in October 1999. Transco will also raise a new non-urgent Network Code Modification Proposal.

Yours sincerely,



**Chris Bradley,  
Network Code Operations**