

APPLICATION FOR CONSENT TO MODIFY THE NETWORK CODE

Amendments to Operation of Daily Capacity Auctions

1. Transco Proposal

Modification 0306 was proposed as a development to the additional entry capacity services which had previously been introduced under Modification 0273. Transco expressed support for the modification proposal and Ofgas subsequently granted approval for the modification.

Since approval was granted, the implementation timetable has been developed alongside the RGTA "Summer solution" proposals taking into account the need for system changes that would meet both requirements.

Transco has subsequently identified that certain aspects of Modification 0306 could be administered by the use of manual systems on an interim basis which will allow introduction of such aspects in advance of full implementation. Transco believes that this phased implementation will introduce the features of Modification 0306 as early as possible which will maximise the benefit to Users.

Transco proposes to further modify the rules under Modification 0306 as follows :

Transition Document, Part II

8. MISCELLANEOUS

8.1 Section B: System Use and Capacity

Insert new paragraph 8.1.3A:

"8.1.3A B2.2 (1) For the purposes of Section B, paragraphs 2.2.12 and 2.2.19; 2.2.12 (a)(v) and 2.2.19(a)(v); 2.2.12(b) and 2.2.19(b); a User may only submit applications for Daily System Entry Capacity and Secondary System Entry Capacity for up to 7 proposed dates of registration and not earlier than 7 Days nor later than the Day before the proposed date of registration, with effect from 1st June 1999.

(2) Notwithstanding paragraph (1), from 17th May to 30th May 1999, Users may submit applications for Daily System Entry Capacity and Secondary System Entry Capacity in accordance with Section B

paragraphs 2.2.12(b) and 2.2.19(b) between 06.00 hours and 13.00 hours on the Day before the proposed date of registration."

2. Nature of Modification

An amendment, as stated above, is required to the Transition Document, Part II, Paragraph 8 - Miscellaneous.

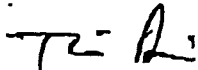
The purpose of this proposal is to ensure that phased implementation of the proposal is possible from 17 May 1999 in advance of full implementation on 1 June 1999, thereby furthering the efficient and economic operation of the system.

3. Transco Application

Transco now seeks the consent of the Director General to modify the Network Code in accordance with the above proposal.

Signed for and on behalf of BG Transco

Signature :



Date : 7.5.99

Name : Tim Davis

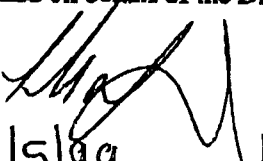
Position : Manager, Network Code

4. Director General of Gas Supply Response

In accordance with Condition 7(8)(b) of the Standard of Public Gas Transporters' Licences dated 21st February 1996 I hereby consent to the above modification to the Network Code.

Signed for and on behalf of the Director General of Gas Supply

Signature:



Date: 10/5/99

Name: Fakir Majid

Position: -

Head of Gas Balancing