

98/12/30/01



23 December 1998

Direct Dial: 0171-932-1656
Our Ref : CMS/MOD/25

Mr Julian Madjanski
Network Code Development
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Dear Julian

Modification Proposals 310 (Storage Unbundling) and 311 (Operational Use of Storage Post Unbundling)

Thank you for your faxes of 22 December 1998 in which Transco proposes that the above modification proposals be treated as urgent.

We agree that both modification proposals should be considered quickly by the industry. We envisage that a decision on whether or not to implement the proposed modifications would be needed before the proposed auction of storage capacity at Rough and Hornsea in February 1999. However, given the scope and importance of the changes, we consider that the industry should have not less than four weeks in which to make representations to Transco.

We therefore propose the following timetable:-

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| • Transco circulates modification proposal | 23 December 1998 |
| • Deadline for representations on proposal | 21 January 1999 |
| • Transco sends modification report to Ofgas | 25 January 1999 |
| • Ofgas decision on implementation by | 1 February 1999. |

To heighten awareness of Transco's modification proposals, the legal text associated with both these modifications is included in the appendices to the latest document in our review of the supply of gas storage and related services, which will be published on 24 December 1998.

Yours sincerely

A handwritten signature in cursive script that reads "Andy MacFaul".

Andy MacFaul
Regulation and Business Affairs