Direct Dial: 020-7932-6337

25 October 2000

BG Transco, Shippers and Other Interested Parties

Your Ref:
Our Ref: Net/Cod/Mod/434/5

Dear Colleague,

Modification Proposal 0434 'MISEC – Defer Auction Date By 2 Weeks whilst Maintaining Effective Date'
Modification 0435 'MISEC – Defer Auction Effective Date of the MISEC Service

Ofgem have considered the request from Transco for Modification proposal 434*, 'MISEC – Defer Auction Date by 2 Weeks whilst Maintaining Effective Date',* and Modification 0435 *'MISEC – Defer Auction Effective Date of the MISEC Service'* to follow urgent procedures. We agree that this modification merits urgent status.

Modification 410 '*Auctions of Monthly Interruptible System Entry Capacity'* which was accepted by Ofgem in July 2000, allowed for the sale of monthly interruptible entry capacity, in the monthly auctions for the period 1 October 2000 to 31 March 2001. However, due to systems development timescales, the monthly interruptible product could be only be made available for the period 1 December 2000 to 31 March 2001. In the meantime BG Transco agreed to release the full interruptible quantities, as specified in the modification, on a day ahead basis until 30 November 2000.

The auctions of monthly interruptible capacity are due to be completed by 10 November 2000, with an effective date of 1 December 2000. Taking this into account, we believe that it is appropriate to grant these modification proposals urgent status, so that a decision on any deferral can be made well in advance of the commencement of the auctions. This will allow the industry to manage their resources in the most efficient manner.

We agree with Transco that the modification proposals should proceed on the following timescales:

Representations Close Out – 30/10/00

Report to Ofgem – 31/10/00

Decision – 02/11/00

If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the above number.

Yours sincerely,

Mark Feather
Head of RGTA