

Mr Pav Dhesi
Ofgem
9 Millbank
London
SW1P 3GE

20 September 2002

Dear Mr Dhesi

Following further consultation, please find attached supplemental reports in respect of Modification Proposals 0519 ***'Removal of energy balancing incentives from the Network Code'*** and 0520 ***'Removal of entry capacity incentives from the Network Code'***. The supplemental reports are made pursuant to Rule 8.10 of the Modification Rules and are consistent with the format contained therein.

The supplemental report made in respect of Modification Proposal 0519 has been produced in the format of a Final Modification Report to incorporate revised legal text. Revised legal text is required to remove an anomaly caused by the extended consultation period. If Ofgem directs implementation of Modification Proposal 0519, Transco respectfully request the revised legal text is incorporated into the Network Code.

Yours sincerely

Julian Majdanski
Modification Panel Secretary