



Your Ref:
Our Ref:
Direct Dial: 020 7901
Email: modifications@ofgem.gov.uk

12 May 2005

Dear Colleague,

Request for urgent status for modification proposal UNC018: Transitional arrangements for the review and calculation of Annual Quantities for Gas Years 2005/6, 2006/7, 2007/8, and 2008/9.

Ofgem has agreed to the request that modification proposal UNC018 'Transitional Arrangements for the review and calculation of Annual Quantities for Gas Years 2005/6, 2006/7, 2007/8, and 2008/9' follow urgent procedures. In this letter Ofgem explains the reasons for this decision and sets out the envisaged timetable to be followed.

The modification proposal seeks to place a restriction on Valid Meter Readings received by Transco that can be used for the purposes of calculating an Annual Quantity (AQ) for Smaller Supply Meter Points. This restriction specifies that no Valid Meter Readings received prior to 30 September 2002 may be used for the calculation of AQs in accordance with section H3.2.

In addition, for the 2005/6 Gas Year only, the dates by which Transco must notify the Registered User of the Provisional AQ and the Registered User may query the Provisional AQ are proposed to be delayed by one week, from 31 May to 7 June and from 13 August to 20 August, respectively.

In determining whether to grant urgent status to this modification proposal, Ofgem has considered the criteria it generally applies to such requests¹. In this instance the modification relates to a time related event insofar as the 2005 AQ Review Process begins on 1st June 2005. The granting of urgent status and adherence to the timetable set out below would ensure that the proposal is in a position to be decided upon and if appropriate implemented in readiness for the 2005 AQ Review Process which commences on 1 June 2005.

¹ http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752_Urgency_Criteria.pdf

Ofgem is mindful that modification proposal 739: New Seasonal Demand Derivation and Associated AQ Impacts is awaiting Ofgem's decision and that proposal UNC018 is intrinsically linked to it. As such, any decision on UNC018 would be taken in conjunction with, but not prior to, Ofgem's decision on modification proposal 739.

The timetable for this proposal will be as follows:

Proposal issued to Ofgem for decision on urgency	6 May 2005
Proposal agreed as urgent	12 May 2005
Circulate to Users requesting representation	13 May 2005
Representation close out	19 May 2005
Panel consider FMR and decide on recommendation	24 May 2005
FMR sent to Ofgem	24 May 2005
Ofgem decision expected by	27 May 2005

In accepting this request for urgency, Ofgem at this stage makes no assessment of the actual merits of the modification proposal. If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the number above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'N. Simpson', with a stylized flourish at the end.

Nick Simpson
Director, Modifications