

Joint Office of Gas Transporters 31 Homer Road Solihull West Midlands B91 3LT

Promoting choice and value for all customers

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Date: 19 December 2008

Dear Colleagues,

UNC Modification Proposals 194 and 194A

Ofgem has received the Final Modification Report (FMR) for UNC Modification Proposals 194 and 194A (the Proposals) relating to the reconciliation of unidentified gas. The FMR was published on the Joint Office of Gas Transporters' website on 20 November 2008. We are actively considering a decision on these Proposals.

Ofgem understands that there are a number of additional UNC Modification Proposals related to the reconciliation of unidentified gas which at various stages of development, in particular UNC228 and UNC229, and that there is an overlap with the issues considered within the Proposals. To allow for consideration to be given to the inclusion of UNC228 and UNC229 in our assessment the Proposals, Ofgem is minded to conduct our analysis following the publication of FMRs for either or both of UNC228 and UNC229.

Ofgem is aware of the importance of reaching a conclusion on UNC Modification Proposals 194 and 194A in the near future and for this reason we do not want to unduly delay our decision. Ofgem therefore proposes that any FMRs associated with UNC228 and UNC229 (or any other related FMRs) which are published later than 20 February 2009 will not be considered for potential inclusion in the scope of our assessment.

If you have any enquiries regarding this matter, please contact James Crump by telephone on 020 7901 7137 or by email at james.crump@ofgem.gov.uk.

Yours faithfully,

Ian Marlee

Director, Trading Arrangements