



04 November 1996

Direct Dial : 0171-932-1653

All Shippers and Interested Parties

Dear Shipper/Interested Party

Network Code Modification Proposal 84

Proposed Modification 84, which enables the launch of the International Petroleum Exchange's proposed National Balancing Point contract has been accepted as urgent by Ofgas. Ofgas has some reservations about the impact of the proposed modification but has decided that shippers and interested parties should be given the opportunity to comment as early in the process as possible.

The proposed modification creates an additional class of user, a Recognised Clearing House as recognised under the Financial Services Act 1986. There are currently only two clearing houses which would be eligible, the London Clearing House and CREST, the clearing house to the Stock Exchange. Ofgas is particularly keen for shippers and interested parties to provide comments as to whether the new class of user should be widened to include parties which may wish to offer trading instruments but which do not otherwise qualify for a shipper's licence.

In addition the proposed modification refers to charges, set out in the Network Code UK Link Manual, which TransCo would make for services provided to the new class of user. Ofgas is particularly interested in comments relating to this.

Ofgas has agreed that representations should be made to Richard Grey at TransCo on fax 0121 711 1451 by mid-day on 11 November.

Yours sincerely

A handwritten signature in cursive script that reads "Megan Goss".

Megan Goss
Manager, Regulation and Business Affairs