

99/03/01/12



01 March 1999

Direct Dial: 0171 932 5907
Our Ref : NET/COD/MOD/210
Your Ref :

Richard Robinson
Transco

BY FAX

Dear Richard

Modification 210, Revision to Top-up Manager Rules Relating to Review and Recalculation of Top-up Requirements Following Initial Calculation

On 24 June 1998 Transco submitted to Ofgas its final modification report on modification proposal 210.

Modification 210 was raised by BGT following incorrect advice by Transco that shippers would be receiving a full rebate for the reduction in booked top-up for 1997/8. It was proposed that top-up bookings would be postponed until the end of summer or beginning of winter and that the network code would be amended to allow for full compensation when the top-up requirement is reduced. It was also proposed that this apply retrospectively so that Transco pay shippers for the reduction in top-up for 1997/8.

However, Ofgas considers that Transco and BG Storage had correctly applied the rules of the network code and had no obligation to reimburse all the top-up costs to shippers despite the fact that Transco informed them otherwise. Ofgas also believes that modification 297 offers better incentives for Transco to reduce their top-up booking by passing all top-up costs for Transco to bear (modification 297 has been accepted for implementation by Ofgas). Therefore Ofgas rejects modification 210.

Please circulate this letter to all shippers.

Yours sincerely

A handwritten signature in black ink, appearing to read "Ayesha Uvais", with a long horizontal line extending to the right.

Ayesha Uvais
Assistant Manager, Gas Balancing