

Supplemental report.

Modification Report 0216 was re issued for a 10 day consultation following agreement with the Modification Panel at the Panel meeting held on 16th June 1999.

Four representations were received with respect to this Modification Proposal. One was supportive, two asked for clarification on the proposals regarding specific areas of the modification and one opposed the implementation. All respondents were concerned that the level of the initial AQs for domestic users needs to be agreed before the Modification is implemented. A meeting with the relevant parties has been arranged for the 9th August 1999.

Aquila Energy Trading

The respondent records its support for the principle of the Modification Proposal, however it does not believe it should be implemented before a method to establish initial AQ's has been agreed. Transco believe the issue of initial AQ's should be resolved at the meeting arranged for 9th August.

Eastern Energy

The respondent largely supports the proposal, but asked for clarification on Clause 7.2.3 of the Legal drafting. Transco agrees that the drafting should be clarified and revised Legal text has been supplied to cover this point.

The respondent also expresses concerns over CSO compliance. Transco considers that the drafting for the NExA includes the necessary conditions on the CSO to enable Transco to fulfill it's Network Code obligations. These principles have been discussed and agreed with the CSO's during the NExA negotiations.

British Gas Trading

The respondent raises concerns relating to the proposal for Interim Period Reconciliation and the future review of individual AQs.

Transco considers that CSEP Users (Shippers) will want to carry out the Interim Period Reconciliation proposals and will in conjunction with the CSO ensure that the timescales within the NExA are complied with. The NExA contains provisions to ensure that annual AQ reviews are carried out in a manner consistent with that of domestic Supply Points on the Transco system.

Scottish and Southern Energy plc.

The respondent registers it's opposition to the implementation of this Modification Proposal as it believes that under Modification 0317 Transco should undertake a fundamental assessment of the effect of RbD. The respondent also seeks assurance that a CSEP AQ review will be undertaken for NDM CSEPs that mirrors the Transco process.

Transco considers that the Modification Proposal covers these issues and places the appropriate obligations within the Network Code and the NExA to ensure that the market is treated consistently.