



19 August 1998

Direct Dial : 0171-932-1656

Our Ref : RM/Lett/BG128_14

Your Ref :

Richard Gray
Transco
31 Homer Road
Solihull
West Midlands
B91 3LT

Dear Mr Gray

Proposed Modification 0258 "Liabilities for failure to allow Aggregation of Meter Points"

Ofgas has considered the suggestion by British Gas Trading that Modification 0258 ("Liabilities for failure to allow Aggregation of Meter Points") should be treated as urgent, and has concluded that the above modification merits urgent status.

When concerns were raised earlier in the year that Transco was not facilitating the aggregation of sites across its database partitions, Transco said that it would change its IT systems. It said that the proposed system change would be implemented in May 1998. However, Transco has not undertaken this work. As a consequence, following the inappropriate rejection by Transco's IT systems of proposed aggregations, shippers are incurring additional costs in processing the proposed aggregation of sites manually. This modification proposal suggests that, in the future, Transco should make a payment to shippers each time they are put to the cost and inconvenience of the current manual process.

The deadline by which Transco was to have addressed the present difficulties has already passed and Transco has not made alternative proposals. Until the current difficulties are addressed, shippers are subject to the significant commercial impact of having to use a manual system, that was originally accepted as a temporary measure only. Therefore, to ensure a decision on this modification can be made as quickly as possible, we have decided to accept it as urgent.

Some of the details of this modification would benefit from open discussion before shippers make their responses to Transco. For example, should payments be based on all nominated aggregations or only those that are subsequently confirmed. Therefore, we suggest that there should be some discussion about this modification at the forthcoming SPA/Metering Workstream on 27 August 1998.

Please circulate this letter with the modification.

Yours sincerely

A handwritten signature in black ink, which appears to read "S. Aldridge".

Sean Aldridge
Head Of Network Operations