

25th August 1998

Network Code Development

To: Shippers, Panel Members & Non-Network Code Parties

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Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0260
"CSEP /Interconnector agreements"**

Please note that The Final Modification Report , Version. 1.0 was signed by Ofgas on 24th August 1998 for Modification Proposal No: 0260.

With effect from 12.00 midday 24th August 1998, the new Network Code text resulting from this Modification is detailed below.

Modified Text:

Section I

"1.7 Ancillary Agreement

- 1.7.1. Transco may require, as a condition of a User's holding System Entry Capacity at an Aggregate System Entry Point or making Input Nominations or submitting Entry Allocation Statements in respect of a System Entry Point, that the User enter into or accede to an Ancillary Agreement in a form designated by Transco with Condition 7(4) Approval of the Director setting out terms (in addition to or by way of variation of the terms of the Code) in relation to the use of the System for the purposes of delivery of gas at that System Entry Point.
- 1.7.2 An Ancillary Agreement designated pursuant to paragraph 1.7.1 shall be deemed to be a part of the Code for purposes of enabling such Agreement to be modified pursuant to the Modification Rules."

Section W

- "2.8.6 An Ancillary Agreement may, with Condition 7(4) Approval of the Director, provide for Transco to take a particular step or action with Condition 7(4) Approval, or in the absence of Condition 7(4) Disapproval, of the Director; and any such provision of an Ancillary Agreement is hereby deemed to be a provision of (and shall be treated as being incorporated in) the Code."

Yours sincerely



Dennis Rachwal
Commercial Analyst.