

99/03/04/01.



26 February 1999

Direct Dial : 0171-932-5903

Our Ref : Tr902_25.

Your Ref :

Mr Julian Majdanski
Transco
51 Homer Road
Solihull
West Midlands
B91 3QJ

Dear Mr Majdanski

Modification 274 "Retrospective removal of input UGF at sub-terminals when negative SMP sell prices are set"

On 23 February 1999, we wrote to Transco stating that we were minded to accept proposed modification 0274 "Retrospective removal of input UGF at sub-terminals when negative SMP sell prices are set". However, the final modification report did not contain legal drafting. We directed Transco, under standard licence condition 7, to provide the legal drafting within two weeks of that letter.

Since Ofgas wrote to Transco, Enron Gas & Petrochemicals Trading Limited (EGPTL) has, on 24 February 1999, offered to withdraw Modification 0274, in order to facilitate IQR (Invoice Query Resolution) Close Out, (Modification 274, if implemented would only have had an impact on Enron Gas & Petrochemicals Trading Limited (EGPTL)). However, under the modification rules a proposer cannot withdraw a modification once the Modification Report is prepared. Therefore, in order to facilitate the wishes of the proposer, Ofgas rejects this modification.

Please circulate this letter to all shippers.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Kennedy".

John Kennedy
Manager, Network Operations

cc Paul Rogers, Transco