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24 September 2004

Transco, Shippers and other parties

Dear Colleague,

CO87: Transco Proposal for Revision of Network Code Standards of Service.

Modification Proposal 0565 'Revision of Network Code Standards of Service' was raised by Transco in July 2002 and approved by Ofgem on 1 July 2003. Since this time a number of errors contained within the legal text fields of the Final Modification Report and the Implementation Notice have been identified. This request for Consent to Modify seeks to correct these areas of inaccuracy.

In total four errors have been identified across Sections S, E, M and X:

- Section S contains an incorrect paragraph numbering which needs to be amended.
- Section E contains an inaccurate calculation/formula which has, since the implementation of modification proposal 0565, been used in the calculation of Suppressed Reconciliations. This Consent seeks to amend the formula so that it reflects the original intent of the proposal.

The old formula looks at suppressed reconciliations in total over a period of time for all Users and then tried to take away the reads obtained for one User in relation to that User's 'must reads'.

The new formula establishes a total amount for all Users then works out the individual Users proportion of that figure and then deducts the must reads from that total.

The existing paragraph contained all of the correct information but did not allow the calculation to be carried out in the correct order.

- Section M contains incorrect cross-references to certain paragraphs, some of which have since been removed from the Network Code as a result of other modification proposals.
- Section X (Supplement) should contain cross-references to certain paragraphs. These references have been left blank. This Consent seeks to insert these missing references so that this Section of the Network Code accurately reflects the intent of modification proposal 565.

Ofgem has considered Transco's request in accordance with condition 9 (7) (b) of Transco's Gas Transporter Licence, and consents to this modification of the Network Code. If you require any further information on this matter please feel free to contact me on the above number.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. McEwen', with a stylized flourish at the end.

Samantha McEwen
Manager, Gas Network Codes