



Shippers, Transco and other interested parties

Our Ref: net/cod/mod/0744  
Direct Dial: 020 7901 7491  
Email: [nick.simpson@ofgem.gov.uk](mailto:nick.simpson@ofgem.gov.uk)

11 February 2005

Dear Colleague,

**Request for urgent status for modification proposal 0744 "Allocation of Incremental System Entry Capacity at System Entry Points with Descending Price Schedules"**

Ofgem has agreed Transco's request for modification proposal 0744 "*Allocation of Incremental System Entry Capacity at System Entry Points with Descending Price Schedules*" to follow urgent procedures. The reasons for making this decision are set out below.

Modification proposal 0744 intends to clarify the treatment of bids in descending price auctions and to better align the Network Code with the intent of Modification Proposal 0667.

The proposer stated that urgency status is warranted to limit the period of uncertainty for those Users who have bid in the recent Entry Capacity auctions and who may have to delay other business decisions that are dependent upon the auction allocations. The proposer also considers that it is particularly important to resolve this uncertainty in a short timescale as the Aggregate System Entry Point (ASEP) affected is a new ASEP.

Ofgem has decided to grant the proposal urgent status. In making its decision, Ofgem has taken into account the proposer's views regarding the potential uncertainty faced by the Users who have bid in the auctions and the potential implication on their business decisions. Ofgem considers the justification for urgency accords with Ofgem's guidelines on granting urgency status to a modification proposal<sup>1</sup>. In particular, Ofgem considers that if the modification proposal were to follow non-urgent procedures, its decision could not be reached before material commercial commitments to certain projects are to be finalised.

In accepting this request for urgency, Ofgem has made no assessment of the merits of this modification proposal.

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<sup>1</sup> [www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752\\_Urgency\\_Criteria.pdf](http://www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/2752_Urgency_Criteria.pdf)

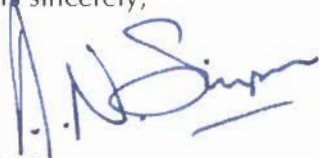
The timetable for the modification proposal to follow urgent status will be as follows:

Issued to Ofgem for decision on urgency	10 February 2005
Proposal agreed as urgent	11 February 2005
Circulated to Users requesting representations	11 February 2005
Close out of representations	17 February 2005
Urgent Modification Report issued to Ofgem	23 February 2005
Ofgem decision expected	25 February 2005

The complexity of the issues involved and the possible legal aspects may also have an impact on the timing of our decision.

If you have any queries in relation to the issues raised in this letter, please feel free to contact me or alternatively, Nienke Hendriks on 020 7901 7329.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'N. Simpson', with a stylized flourish at the end.

Nick Simpson  
**Director, Modifications**