

Direct Dial: 0207-901-7437

20 July 2001

Transco, Shippers and Other Interested Parties

Dear Colleague,

**Modification Proposal 0481: Release of ASEP Maximum System Entry Capacity Volumes for MSEC Auction**

Ofgem has considered the request from Conoco (U.K.) Ltd for modification proposal 0481, '*Release of ASEP Maximum System Entry Capacity Volumes for MSEC Auction*' to follow urgent procedures. We agree that this modification merits urgent status.

This modification proposal provides for the release of Monthly System Entry Capacity (MSEC) quantities for each Aggregate System Entry Point (ASEP) for each month equivalent to the highest of the monthly respective ASEP Maximum System Entry Capacities published by Transco in its auction invitation letter on 29 June 2001. The modification further provides that the volumes of capacity be auctioned over 4 rounds and any quantities of unsold capacity from these four rounds be offered in the 5<sup>th</sup> round in accordance with the existing Network Code rules. Under this modification proposal, the Monthly Interruptible System Entry Capacity (MISEC), Daily System Entry Capacity (DSEC) and Daily Interruptible System Entry Capacity (DISEC) capacity auctions would also remain to cover unsold volumes and Use-it-or-lose-it (UIOLI) capacity on the day.

Ofgem considers that this modification proposal merits urgent status as any changes to the structure of the MSEC auctions resulting from the proposal will need to be made in a timely manner prior to the scheduled commencement of the auctions. The auctions for the period 1 October 2001 to 31 March 2002 are scheduled to commence on 13 August 2001. In particular, shippers will need sufficient time to amend their bidding strategies should the proposal be accepted.

Issued to Ofgem for decision on urgency	20 July 2001
Proposal agreed as urgent	20 July 2001
Proposal issued for consultation	20 July 2001
Close out for representations	27 July 2001
Final report to Ofgem	31 July 2001
Ofgem decision expected	02 August 2001

If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the above number.

Yours sincerely,

Mark Feather  
**Head of RGTA**