

Direct Dial: 0202-7901-7437

15 August 2001

Transco, Shippers and Other Interested Parties

Dear Colleague,

**Modification Proposal 0486: 'Waiver of notice period for implementation of changes to transportation charges'**

Ofgem has considered the request from Transco for modification proposal 0486, *'Waiver of notice period for implementation of changes to transportation charges'* to follow urgent procedures. We agree that this modification merits urgent status.

In raising this response Transco has indicated that Ofgem's recent approval of modification 0481 *'Release of ASEP Maximum System Entry Capacity Volumes for MSEC Auction'* necessitates a re-calculation of entry capacity reserve prices under Transco's existing price methodology. The purpose of this proposal is to enable a waiver of the standard two-month notice period required under the Network code prior to the implementation of any changes to reserve prices for the forthcoming winter auctions.

In addition, the proposal provides for a waiver of the two-month notice period associated with any change to transportation charges following any over or under recovery that may arise from the auctions. A waiver of this notice period will be necessary if transportation charges are to be adjusted prior to 1 October 2001 following the auctions.

Ofgem has decided that urgent procedures are necessary for modification proposal 0486 as any revisions to reserve prices at individual entry points may impact upon bidder strategies in the forthcoming Monthly System Entry Capacity auction for the period October 2001 to March 2002. These auctions are due to commence on 29 August 2001. Ofgem believes that granting urgent status to this proposal will ensure that auction participants understand all aspects of the revised entry capacity regime prior to the commencement of the auctions.

Issued to Ofgem for decision on urgency	13 August 2001
Proposal agreed as urgent	15 August 2001
Proposal issued for consultation	15 August 2001
Close out for representations	20 August 2001
Final report to Ofgem	21 August 2001
Ofgem decision expected	22 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**