

17 July 2001

Transco, Shippers and Other Interested Parties

Dear Colleague,

**Modification Proposal 0480: Fifth Round Monthly System Entry Capacity Allocation**

Ofgem has considered the request from British Gas Trading for modification proposal 480, '*Fifth Round Monthly System Entry Capacity Allocation*' to follow urgent procedures. We agree that this modification merits urgent status.

This modification proposal provides that the current published volumes of Determined System Entry Capacity will be offered in equal sized tranches in the first four rounds of the Transco's National Transmission System monthly system entry capacity (MSEC) auctions. The proposal further provides that the volumes of Determined System Entry Capacity be increased to Seasonal Normal Demand (SND) plus 20% from the current published volumes of SND plus 10% and that the incremental volume be offered in round five together with any quantities of unsold capacity from the preceding rounds.

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	16 July 2001
Proposal agreed as urgent	17 July 2001
Proposal issued for consultation	17 July 2001
Close out for representations	23 July 2001
Final report to Ofgem	25 July 2001
Ofgem decision expected	27 July 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**