



26 August 1998

Direct Dial: 0171-932-1645

Our Ref : 232dec.doc

Your Ref :

Transco, Shippers and other interested parties

Dear Colleague,

Modification 232 "Removal of Input UGF at sub Terminals"

Ofgas has signed the modification proposal 232 which will facilitate the removal of input UGF charges at sub terminals. This is, in part, a revision of modification proposal 69 "Daily nominations - default to zero nomination" in that it deals with input UGF for sub terminals. We propose that modification proposal 69 is closed down and that the issue of output UGF is dealt with at the energy workstream.

Transco is using a manual process to input zeros into AT Link. Ofgas has expressed concern that this increases the probability of error but Transco has reassured Ofgas that it will ensure that this process is checked individually with shippers, monitored and open to review. We believe that this report will help in making a decision about output UGF in the energy workstream.

The implementation of this modification extends the period in which nominations can be posted to 35 days, which will allow alignment in line with CVSL IT requirements.

Ofgas notes that one shipper in its representations argued for retrospective implementation of the proposal but that Transco considered the cost of this would outweigh the benefits. Ofgas believes that the question of retrospectivity is better dealt with by the energy workstream and would recommend that it is discussed in that forum.

Yours sincerely

A handwritten signature in black ink that reads "Rebecca Purves". The signature is written in a cursive style and is positioned above a horizontal line.

Rebecca Purves
Economic Adviser, Gas Balancing