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Direct Dial: 0171-932-1669

30 June 1998

To: Transco, shippers and other interested parties

Your Ref:

Our Ref : Net/Cod/Mods/237

Dear Sir/Madam

Urgent modification proposal 237, Top-up cost treatment

Ofgas consider that the above modification should follow urgent procedures so that if approved, implementation can take place before the relevant shipper top-up invoices are issued. The modification seeks to implement the views outlined in Ofgas' conclusions document, Review of top-up gas, published in April 1998.

The areas covered by the modification have been for consideration by the industry and the network code Planning and Security workstream since the publication of the Ofgas conclusions document. In light of this, it is not necessary to have a long period for consultation. Transco has agreed that the modification shall follow the timetable given below: -

Modification proposal to be circulated to interested parties	Tuesday, 30 June
Consultation responses to Transco	5:00 p.m. Tuesday, 14 July
Final modification report to Ofgas	Tuesday, 21 July
Ofgas decision expected	Tuesday, 28 July
Implementation	ASAP

The modification proposes the deletion of the top-up cost recovery process. As a consequence, when top-up is accepted, Transco could be in receipt of additional transportation revenues not covered by their published charging statement. This issue needs to be addressed in the final modification report.

Yours faithfully,



Tahir Majid
Manager, Energy Balancing