



Mark Ripley
Transco Network Code Development
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25 September 1998

Dear Mark,

Re Modifications 244a and 247a

Please find enclosed the signed acceptance for the above modifications.

Further to our recent conversation, I have amended the level of the proposed overrun multiplier from sixteen to eight. We are not convinced that any evidence or analysis has been produced to contradict our belief that a multiplier of eight would not only encourage the entry of gas onto the system but also that it would act as incentive to the booking of annual capacity by shippers. This figure, if applied over an entire month, would be more prohibitive than the current overrun charging regime.

Indeed, we have noted a significant number of shippers supported the lower multiplier figure. I would like to point out, however, that the industry could review the level of the multiplier at a later date.

We also continue to await the final detailed proposals and legal text for the proposed daily and secondary services in Mod 230 introduced by Dynergy (formerly NGC). The aim of this proposal is also to encourage the flow of gas onto the system.

Please amend the network code re modifications 244a and 247a using a multiplier of eight. The implementation date for both modifications should be October 1 1998 and notification relayed to shippers. Should you have any queries, please do not hesitate to contact me.

Yours sincerely

Amrik Bal
Manager, Transportation