Julian Majdanski
Network Code Manager
Transco
31Homer Road
Solihull
West Midlands
B91 3LT

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Dear Julian

Withdrawal of Modification Proposal 431 and submission of new alternative modificiation proposals

The October Modification Panel referred Modification Proposal 431, *Clarification of Transco's obligations with respect to its operation and use of the RGTA Capacity System* to the RGTA Workstream.

At RGTA meetings held on 2 and 8 November 2000 shippers made a number of suggested refinements to this proposal. Concerns were raised at the difficulty in distinguishing between genuine Transco transactions and those made in error, thus making it difficult to allocate 100% of the corrective buy-back costs to Transco. Also under Part B of the proposal it was considered important to limit the "right" to overrun to the period of the gas day which had elapsed at the time of Transco voiding transactions.

As the current Modification Rules are unclear as to whether amendment of shipper proposals is permitted, Powergen has decided to withdraw Modification Proposal 431 and resubmit alternative proposals. These proposals, *Correction of Transco errors on the RGTA Capacity System* and *Remedies for Transco's failure to honour its entry capacity commitments* are enclosed. Splitting the proposals in this way is designed to allow implementation of one or both of these complementary modifications.

Given that these proposals have effectively been reviewed by the industry we would ask the Panel to vote to send these proposals directly out to consultation. We would also be grateful if this letter could be circulated with the two modification proposals, by way of explanation.

Yours sincerely,

Peter Bolitho
Gas Trading Arrangements Manager