

**OFGEM DECISION LETTER No. 0561**  
"Publication of capacity forward and option costs"  
Version 1.0

Direct Dial: 020-7901-7437

28 June 2002

UK Transco, Shippers and Other Interested Parties

Our Ref : Net/Cod/Mod/0561

Dear Colleague,

**Modification Proposal 0561 *'Publication of capacity forward and option costs'***

Ofgem has considered the request from Aep Energy Services Ltd for Modification Proposal 0561, *'Publication of capacity forward and option costs'* to follow urgent procedures. We agree that this modification merits urgent status.

This modification proposal provides for an amendment to the Network Code to require Transco to publish certain information about the forward and options contracts for Monthly System Entry Capacity (MSEC) it has entered. This modification proposal provides that Transco should be required to publish the weighted average price, the volume contracted, the volume offered, the number of successful bidders and the total number of bidders following each tender it has undertaken. Under the proposal Transco would also be obliged to publish daily the volume and weighted average price of any capacity options exercised on that day.

Transco has recently commenced conducting tenders for forward and options contracts. In this context an urgent decision on this process will clarify as soon as possible what, if any, information Transco will make available regarding the results of these tenders. In addition, any information that is made available as a result of this proposal may also be relevant to shippers' evaluations of capacity ahead of the forthcoming MSEC auctions. These auctions are currently scheduled to occur in early August. On this basis, the modification proposal merits urgent status.

The timetable for the modification proposal to follow urgent status is set out below.

*Issued to Ofgem for decision on urgency* 28 June 2002

*Proposal agreed as urgent* 28 June 2002

*Proposal issued for consultation* 1 July 2002

*Close out for representations* 8 July 2002

*Final report to Ofgem* 10 July 2002

Ofgem decision expected 12 July 2002

If you have any queries in relation to the issues raised in this letter, please feel free to contact me on the above number or Lyn Camilleri on 020 7901 7431.

Yours sincerely,

Mark Feather

**Head of New Gas Trading Arrangements**