



The Joint Office, relevant Gas Transporters, Shippers and other Interested parties

Promoting choice and value for all customers

Our Ref: Net/Cod/Mod/UNC163
Email: industrycodes@ofgem.gov.uk

Date: 24 July 2007

UNC 163: Offering capacity at Donor ASEP in Trades and Transfer Process

Following consideration of the request that modification proposal 163: '*Offering capacity at Donor ASEP in Trades and Transfer Process*' follows urgent modification procedures, Ofgem has today agreed to that request.

Characteristics of urgent Modifications

Our view is that, in general, urgent modifications are likely to exhibit at least one of the following characteristics:

- There is a very real likelihood of significant commercial impact upon NGG, industry parties, or customers if an modification Proposal is not urgent;
- Safety and security of the network is likely to be impacted if a proposed modification is not urgent; and
- The proposal is linked to an imminent date related event.

Applying these characteristics to UNC 163

In reaching our decision on granting urgent status we have considered the Proposer's justification for urgency. Ofgem considers that this proposal satisfies the criteria for granting urgent status to a modification proposal, as set out in its published guidelines.

1) There is a real likelihood of significant commercial impact upon Gas Transporters, Shippers or Customers if a proposed modification is not urgent;

The Proposer of UNC163 is of the view that the additional provisions raised in this proposal need to be considered at the same time as UNC156/156A. It is their belief that UNC 163 raises a number of issues that, if not considered, could lead to a detrimental impact on the trade and transfer mechanism should UNC156/156A be adopted.

3) The proposal is linked to an imminent date related event

The Proposer believes that a decision on this proposal needs to be made before the trade and transfer process is initiated. As stated above, the Proposer feels that these issues must be considered at the same time as UNC 156/156A which seeks an implementation date prior to the winter period (1 October 2007 to 31 March 2008).

Given the potential commercial impact identified above, Ofgem agrees that in these circumstances the transfer and trade of capacity between ASEPs is an imminent date related event for the purposes of these criteria.

Urgency Timetable

Ofgem therefore consents to urgency on the grounds that this proposal meets urgency criteria 1) and 3).

Process	Date
Ofgem grant urgency status	24/07/2007
Proposal issued for consultation	25/07/2007
Discussion at Transmission Workstream	02/08/2007
Close out of representations	03/08/2007
FMR issued by Joint Office to Modification Panel	06/08/2007
Modification Panel decide upon recommendation	07/08/2007
Ofgem decision expected	10/08/2007
Proposed implementation date	13/08/2007

Ofgem requests that proposed legal text for this UNC modification proposal is submitted to the Modification Panel at the same time as the final modification report (FMR) is issued.

For the avoidance of doubt, in accepting this request for urgency, Ofgem has made no assessment of the merits of the modification proposal and nothing in this letter in any way fetters the discretion of the Authority in respect of this modification proposal.

If you have any queries or comments in relation to the issues raised in this letter, please feel free to email industrycodes@ofgem.gov.uk.

Yours sincerely,



Mark Feather
Associate Director, Industry Codes and Licensing