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*Bringing choice and value  
to customers*

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

Our Ref: Net/Cod/Mod/UNC156  
Email: [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk)

Date: 9 July 2007

Dear Colleague,

**UNC156: Transfer and Trading of Capacity between Aggregate System Entry Points (ASEPs)**

Following consideration of the request that modification proposal 156: '*Transfer and Trading of Capacity between ASEPs*' follows urgent modification procedures, Ofgem has today agreed to that request.

In reaching our decision on granting urgent status we have considered the details contained within the modification proposal and 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. In particular, we consider that the proposal is linked to:

*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 believes that if this proposal is implemented ahead of this winter it will provide Users with a mechanism to transfer and trade NTS entry capacity to ASEPs where demand for capacity is currently greater than obligated firm levels. Therefore this should reduce the likelihood of gas being stranded offshore due to insufficient capacity being available.

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

The Proposer suggests that this proposal needs to be implemented in advance of the forthcoming winter period, 1 October 2007 – 31 March 2008. In addition the Proposer considers that its proposed trade and transfer auction should not be run concurrently with the September 2007 QSEC auction and that, were it to be held afterwards (i.e. October), this would limit users' opportunities to get additional capacity.

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 this criterion.

### Urgency Timetable

Ofgem therefore consents to urgency (albeit subject to a slightly amended timetable) on the grounds that this proposal meets urgency criteria 1) and 3).

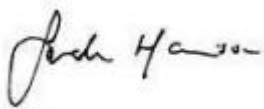
Process	Date
Ofgem grant urgency status	09/07/2007
Proposal issued for consultation	10/07/2007
Close out of representations	20/07/2007
FMR issued by Joint Office to Modification Panel	23/07/2007
Modification Panel decide upon recommendation	02/08/2007
Ofgem decision expected	10/08/2007
Proposed implementation 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](mailto:industrycodes@ofgem.gov.uk).

Yours sincerely,



**Sarah Harrison**  
Managing Director, Corporate Affairs