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16 May 2007

RE:- Transmission Price Control Review: Third Consultation on draft licence modifications (Gas transmission)

Further to publication of the document "**transmission price control review: Third consultation on draft licence modifications**" on 25th April 2007, we attach to this open letter draft legal text in relation to the following special conditions:

- (i) C11: Transmission Planning Code;
- (ii) C24: Network Model;
- (iii) C8C: NTS System Operator Revenue Restrictions;
- (iv) C8F: NTS System operator external incentives, costs and revenues;
and
- (v) C8G: NTS System Operator internal incentives, costs and revenues.

As set out in the consultation document referred to above, Special Condition C11, C24, C8F and C8G required further work before publication and are being published in the form of this supplementary open letter.

We are also including as part of this open letter Special Condition C8C. This Special Condition has been revised to include the modified income adjusting event provisions and the associated SO charges drafting.

Special Condition C8F and G are conditions arising out of the restructuring of the current Special Condition C8B.

This draft legal text will be subject to further legal review following our bilateral meetings with the licensee and is subject to change.

Responses to this draft legal text are required by 30th May 2007 and may be sent to:

Colin Green
Head of Projects - Transmission
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

or by email to colin.green@ofgem.gov.uk

Yours faithfully

A handwritten signature in black ink, appearing to read 'C. Green', is placed on a light grey rectangular background.

Colin Green
Head of projects - Transmission