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12<sup>th</sup> May 2015

Your Reference:UNC Modification Proposals 0527 & 0528

UNC Modification Proposal 0527 - Implementation of Annual Quantity arrangements (Project Nexus transitional modification)

UNC Modification Proposal 0528 - Implementation of Supply Point Administration, gas allocation and settlement arrangements (Project Nexus transitional modification)

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposals both of which, as proposer, National Grid Gas Distribution (NGD) would like to support.

### **Do you support or oppose implementation?**

Support

### **Please summarise (in one paragraph) the key reason(s) for your support/opposition:**

NGD believes that the measures identified within each Modification Proposal would facilitate an orderly transition of arrangements identified under UNC Modification 0432 'Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform'.

### **Are there any new or additional issues that you believe should be recorded in the Modification Report:**

We have not identified any such issues.

### **Self Governance Statement:**

We agree that neither Modification Proposal should be subject to self-governance procedures given their material effect on consumers.

### **Relevant Objectives:**

Relevant Objective: f) Promotion of efficiency in the implementation and administration of the Code.

d) Securing of effective competition between Shippers. d) Securing of effective competition between Shippers.

NGD concurs with the comments in the Draft Modification Reports concerning facilitation of the above relevant objectives.

### **Impacts and Costs:**

We agree with the statements in the Draft Modification Reports concerning the funding of these Modification Proposals and we have no further comment in this respect.

### **Implementation:**

Both Modification Proposals can be implemented with effect from the Project Nexus Implementation date (presently identified under the Legal Text for Modification 0432) as being 1<sup>st</sup> October 2015. Should such date be changed through any future UNC Modification, both Proposals can also be implemented without amendment.

### **Legal Text:**

NGD is satisfied that the drafting as published by the Joint Office within each Draft Modification Report meets the requirements of each Modification Proposal.

### **Is there anything further you wish to be taken into account?**

We note that the Project Nexus Implementation Date (presently 1<sup>st</sup> October 2015) is under scrutiny by the industry. We are also aware that based on the recommendations of the Project Nexus Steering Group and the project assurance managers Pricewaterhousecoopers (PwC), the implementation date is likely to be deferred. However, both Modifications 0527 and 0528 are sustainable in that the Legal Text is designed to 'track' the Project Nexus Implementation Date as defined in UNC (irrespective of what the actual date might be).

We trust that this information will assist in the compilation of the Final Modification Report. Please contact me on 01926 653541 ([chris.warner@nationalgrid.com](mailto:chris.warner@nationalgrid.com)) should you require any further information.

Yours sincerely,

Chris Warner  
Stakeholder Implementation Manager, Distribution