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*calls will be recorded and may be monitored

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Your Reference: UNC Modification Proposal 0582S

UNC Modification Proposal 0582S - Amendments to reflect separation in legal ownership of NTS and National Grid owned LDZs to facilitate the sale of National Grid's Gas Distribution Business

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Urgent Modification Proposal which, as proposer, National Grid Gas Distribution (NGGD) would like to support.

Do you support or oppose implementation?

Support

Self-Governance Statement

We agree with the view of the UNC Modification Panel that this Modification should be subject to Self-Governance procedures. This is based on our belief that the proposed changes do not have a material effect on gas customers, contractual arrangements between UNC parties or commercial activities associated with the shipping of gas. We also note that the Modification is no longer linked with Modification 0585 (which required an Ofgem decision) following our withdrawal of that Proposal.

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)?

NGGD believes that the measures identified within the Modification Proposal are fundamental to enabling the efficient 'hive-across' of National Grid Gas' Distribution business to National Grid Gas Distribution Limited (NGGDL) in anticipation of the sale of NGG's Distribution networks likely to occur in early 2017.

Implementation

This Modification Proposal can be implemented with immediate effect.

Impacts and Costs

No requirement for User Pays arrangements to apply has been identified.

Legal Text

NGD is satisfied that the drafting and legal text commentary contained within the Modification Proposal meets the requirements of the Modification.

Are there any errors or omissions in this Modification that you think should be taken into account?

We have not identified any errors or omissions within this Modification Proposal.

Please provide below any additional analysis or information to support your representation

The business rules and associated legal text content identified within this Modification Proposal is largely predicated on that implemented in support of the previous sale of four of the Gas Distribution networks in 2005. No significant issues were subsequently identified as a consequence of the approach taken then and we are confident that similar transition terms can be used albeit that these have been revised appropriately to reflect the specific requirements of the present sale.

It is noteworthy that this Modification is essentially 'legalistic' in nature and in consequence has little impact on industry stakeholders. However, we believe it is vital to ensure UNC parties are supported at all stages with respect to the associated administration requirements including accession to NGGDL's Network Code in the period leading up to 'hive-across' and following the subsequent network sale. Therefore a dedicated team has been created within NGGD to oversee and provide individual support to parties as necessary throughout this process.

We do not believe any additional analysis is necessary.

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) should you require any further information.

Yours sincerely,

Chris Warner
Stakeholder Implementation Manager, Distribution