

Bob Fletcher
Joint Office of Gas Transporters
Consort House
6 Homer Road
Solihull
B91 3QQ

06 January 2014

Dear Bob,

Re: UNC Modification Proposal 0432: Project Nexus – Gas Demand Estimation, Allocation, Settlement and Reconciliation reform

Thank you for the opportunity to provide representation of the above noted Modification Proposal. Northern Gas Networks (NGN) supports this Modification Proposal. Please find below NGN's comments in respect of the Modification Proposal.

NGN supports this Modification proposal.

Summary of key reasons:

Implementation of this proposal will deliver significant gas settlement reform, introducing among other products rolling Annual Quantity (AQ) and individual meter point reconciliation. These proposals will improve the accuracy and predictability of cost allocation for and between Users, reducing risk and uncertainty and improving competition for existing Users and by lowering barriers to entry, new Users.

The wider gas industry has helped drive the requirements of the Project Nexus suite of modification proposals and NGN hopes that the industry is satisfied with the resulting proposals.

Additional or new issues:

NA

Self Governance Statement:

Do you agree with the Modification Panel's decision that this should be a self-governance modification?

NA

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Condition	Description	NGN View
A11.1(a)	Efficient and economic operation of the pipe-line system	We agree with the proposer that implementation will have a positive impact on this Relevant Objective.

A11.1(b)	Efficient and economic operation of the combined pipe-line systems	
A11.1(c)	Efficient discharge of the licensee's obligations	
A11.1(d)	Securing effective competition: i) Between shippers ii) Between suppliers iii) Between DN operators and shippers	We agree with the proposer that implementation will have a positive impact on this Relevant Objective.
A11.1(e)	Provision of economic incentives for security of supply to domestic customers	
A11.1(f)	Promote efficiency in the implementation and administration of the UNC	We agree with the proposer that implementation will have a positive impact on this Relevant Objective.
A11.1(g)	Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-Operation of Energy Regulators	

Impact and costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

There will be significant impacts on the Transporter's Agent. The necessary system changes have been funded and although the deadlines are tight we believe they can be met as long as additional changes are not introduced through conflicting modification proposals.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

We are satisfied with the lead-times outlined in the Draft Modification Report.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes

Any further information:

NA

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,



Alex Ross-Shaw
Network Code Officer