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Dear Julian

UNC Modification Proposal 0074: 'Clarification of requirement for flows at DN Offtakes on low demand days'

Thank you for your invitation seeking representations with respect to the above Modification Proposal. As proposer of the Modification Proposal National Grid Gas plc (UK Distribution) ("Distribution") is supportive of this modification. However, it should be recognised that this proposal seeks only to address the shortcomings of the present legal drafting of I2.5 of the Offtake Arrangements document ahead of this summer and that Distribution feels that there should be a more comprehensive review of the validity of clause I2.5.

Presently, clause 2.5.2 (b) (ii) states that on low demand days the DNO shall specify a single rate of offtake of the Day at each individual offtake. However the configuration of pressure controlled offtakes can dictate that it is impractical to comply with 2.5.2 (b) (ii) because flow rates are driven by consumer demand in the network. Notwithstanding the need for a more fundamental review the proposal seeks to achieve a short term workable solution such that on low demand days the DNO shall specify a single aggregate rate of offtake for offtakes serving the LDZ and that the Offtake Flexibility Quantity shall not be greater than zero in aggregate for the LDZ. This will provide a restriction on those LDZs with positive flexibility requirements but allow those LDZs with antidurnal capacity requirements to flow antidurnally on such days.

If this proposal were not implemented then substantial inefficient investment would be triggered in the networks which would not otherwise be required by either the National Transmission System or Distribution Networks. On this basis Distribution is of the view that the proposal would better facilitate the relevant objectives by increasing the efficient and economic operation of the pipeline system.

Yours sincerely,

Mark Freeman