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To: <Gasgovernance.Enquiries@uktransco.com>

Subject: UNC 264 Review Group

Dear Colleagues,

At the initial meeting of UNC review group 264 on the 16th September it was apparent that not all members of the group were clear on what analysis is expected of the group in the event a modification to the UNC or charging methodologies is to be proposed.

We would therefore like to reiterate the expectations set out in our decision letter for UNC modification 244 as those points were summarised by National Grid's presentation entitled '[Consideration of issues raised by UNC Modification Proposal 244](#)'.

We wish to make it clear that any modification to the UNC or charging methodologies to be considered by the Authority must include:

- 1) Evidence of need.
- 2) Sufficient evidence to conclude whether
 - a) In practice NDM customers ~~do~~ reduce their capacity with significant impact on the rest of customers, or
 - b) Allowing DM sites to reduce their capacity in a similar way to NDM customers would not give rise to inappropriate increase in the share of GDN costs that are paid by NDM customers.
- 3) Evidence that any transitional relief or a long term solution avoids the risk of gaming
- 4) Evidence to quantify the potential impact of a proposal on consumers. Both those directly affected by the modification and the broader consumer base.
- 5) Evidence that a proposal better meets the relevant objectives

Regards

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