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**24 Hour gas escape
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1st July 2005

Mr. John Bradley
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
B91 3QJ.

UNC Modification Proposal 0021
Emergency Interruption Volume Calculation Methodology

Dear John,

Thank you for your invitation seeking representation with respect to the above Modification Proposal.

In summary, Transco Distribution is in favour of Modification Proposal 0021, as the proposal seeks to improve the security of supply and reduce the likelihood of supply deficit. The impacts on Distribution Networks appear to be limited, however consideration must be given to the cost of system development to support the reporting mechanisms that support the Modification Proposal.

Transco Distribution would need to consider how it would operate and manage the interruption regime as proposed and has undertaken some initial analysis to consider the impacts of the proposals on its system operation and associated systems.

In addition, Transco Distribution considers that the methodology used to support the Modification Proposal should be included in the Uniform Network Code to add clarity to the process if the Modification Proposal is implemented.

In response to the draft Modification Report Revision of the Emergency Cashout Arrangements, Transco Distribution has the following detailed comments on the questions posed by the SME, where these are applicable to Transco Distribution:

1. Transco Distribution is in favour of all the proposers statements for this modification.
2. Transco Distribution believes these proposals would set the correct level of incentives for the industry and ensure equity in treatment for emergency interruption.

3. Transco Distribution is supportive of the use of SMP over SAP as the most effective method of influencing behaviours in the market.
4. A number of potential system modifications would be required for Transco Distribution to implement the proposer's methodology and these are:
 - a) Interruption Manager would require some minor modifications to adapt existing reports and there are costs associated with these modifications;
 - b) SC2004 would require some minor changes to its configuration and reporting process, although we have not had sufficient time to estimate the costs.
5. Transco Distribution can make the system and process changes required to meet the proposed implementation date of 1st October 2005, however notification to implement the Modification Proposal must be received prior to the end of July 2005.

Please contact Bob Fletcher on 01926 655390 (bob.fletcher@ngt.uk.com) should you require any further information with respect to this representation.

Yours sincerely

Peter Rayson
Commercial Manager – Service Providers
National Grid Transco