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Dear Julian

16 August 2005

We welcome the opportunity to comment on Modification proposal 038, Provision of Information to Support Development of the NTS Investment Programme Modification.

Northern Gas Network supports this Modification proposal in its primary aim of extending the provisions of the Uniform Network Code (UNC) on a five year rolling basis. Specifically for this year (2005) we approve of the lesser requirement by which DNs are only required to supply the 1-in-20 peak day demand information, however where possible we would expect DNs to provide all available information (as required for 2006 onwards).

One of the primary debates had within the development of this proposal has surrounded the timetable for information provision from 2006 onwards. The currently anticipated timetable requires each DN to provide to Transco NTS detailed flow forecast statements by 31 July in each gas year. To satisfy this timeframe DNs maybe required to alter its existing processes whereby historically, DNs have utilised the most recently available C.V data. Under this proposed timetable, this most recently available data will arrive too late for DNs to utilise. Debates to date have ventured that the previous Octobers C.V data would therefore need to be used. To date DNs have been assured that this older data is no worse or no less accurate than that currently utilised.

In supporting this proposal, NGN reserve the right to re-examine the appropriateness of the 2006 timetable and beyond, if over the coming months there is evidence to suggest that the May C.V data is in fact a more relevant set of data to utilise.

Turning to the Draft Modification Report, NGN make the following observations. We concur that that the provision of anticipated NTS offtake requirements up to five years ahead supports the development of appropriate investment plans which might

promote more efficient operation of the pipeline system in subsequent years. Similarly NGN view the proposal as facilitating the DNs in taking efficient and economic decisions in respect of how each DN meets its peak demands on its systems.

The requirement to implement a process for 2005, means that Northern Gas Networks offers its support for this proposal, but would point out that as Transporters closely examine and better understand the full content, processes and timetable for 2006 and beyond, it reserves the right to seek any substantive amendments by way of a revision to the UNC should it view such a move appropriate.

Yours sincerely

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Network Code Manager