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Dear Julian

UNC Modification Proposal 0072: 'Gas Allocations at LNG Storage Facilities in the Event of a Network Gas Supply Emergency'

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

National Grid Gas plc (UK Distribution), ("Distribution"), is of the opinion that this modification should be implemented.

We believe that the proposed arrangement represents a practical and pragmatic resolution to an issue not envisaged when the original Network Code was drafted, that is, how to deal with allocations for shippers with gas in store where the physical storage delivery is curtailed under instruction from the NEC. We believe it would not be appropriate to allocate a gas delivery to a party, where that party had no intention of delivering on the day the instruction was in effect, and believe it is wholly appropriate to allocate the delivery between those shippers that had nominated a delivery on the affected day.

We believe implementation would be consistent with National Grid's licence obligation to promote competition between shippers and suppliers by ensuring that deliveries on a day when enforced curtailment is in effect are fair, predictable and transparent in their derivation, thereby ensuring that associated costs are allocated appropriately. Accordingly, Distribution agree with the proposer's view that implementation would be consistent with requirements of Standard Special Condition A11.1(d) of their gas transporter's licence.

Yours sincerely,

Alan Raper