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Your Reference 0127

Re: Modification Proposal 0127 'Introduction of a DN Pension Deficit Charge on DNO Users'

Dear Julian,

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

The Proposal

National Grid (Distribution) supports this Modification Proposal but has comments to make with respect to certain sections of the legal text (see Legal Text section). UKD does not believe that these comments affect the nature and purpose of the Modification Proposal and should be made for the purpose of improving clarity and accuracy.

The Proposal is in line with the outcome of the consultations for the Transmission Price Control Review and the Distribution Price Control Review and is consistent with the charges proposed within the NTS's Pricing Consultation Paper.

Relevant Objectives

UKD believes that this Proposal would better facilitate the Relevant Objective A11.1(c) set out in the Gas Transporters Licence.

Implementation

We note that the proposed implementation date within the Draft Modification Report does not match the date put forward in the original Proposal.

Legal Text

In Section B 1.7.1 (a) clarification is required to show a distinction between DNO Users and Shipper Users. In other words the User pays the charges currently listed in B1.7.1(a) and the DNO Users pay the DN Pensions Deficit Charges and they do not pay other User charges.

In Section V 3.1.5 (b) "National Grid plc" needs to be amended to read "National Grid Gas plc"

Yours sincerely,

Phil Lawton
Distribution Regulation Manager