

Julian Majdanski
UNC Modification Panel Secretary
Joint Office of Gas Transporters
Ground Floor
51 Homer Road
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Re: UNC 152V, UNC 152AV and UNC 152BV

Conoco Phillips (CoP) is the holder of a gas supplier (non-domestic) licence and a shipper licence. CoP is in favour of the implementation of UNC 152V and against the implementation of UNC 152AV and UNC 152BV.

CoP supports the principle of there being a limitation on retrospective invoicing and invoice correction. We agree that an open ended retrospective regime is not appropriate. Review Group 126 came to a consensus on the methodology and scope of application for limiting the period over which invoices can be issued and we support this. The subsequent modification proposals which have been issued for representations vary in the length of the cut off period to be applied.

CoP supports the “5 year model” proposed under UNC 152V for the following reasons:

- it reduces the risks to shippers and suppliers that exist under the current regime where liabilities stretch back to 1998, and this will tend to promote competition between suppliers and between shippers and reduce barriers to entry by reducing this element of unpredictability. A 5 year model will achieve this to a greater extent than the proposals for a longer cut off period;
- it provides an incentive to gas transporters to ensure that metering and invoicing are carried out efficiently. A more reliable view of flows on the system from improved data management will tend to promote the more efficient economic operation of the pipeline system. Again, the shorter period proposed under the 5 year model will provide a stronger incentive than under a regime with a longer cut off period;
- it will reduce the costs to the industry of capturing, storing and maintaining data, and this reduction will be greater under UNC152V than under the other two proposals.
- in our judgement the proposal provides for a reasonable length of time for errors to be uncovered when set against the benefits identified above;

Yours sincerely

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