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15th December 2008

Re: Supplementary Consultation for UNC Modification Proposal 0195AV
“Introduction of Enduring NTS Exit Capacity Arrangements”

Dear John

Thank you for the opportunity to comment upon the revised legal text that National Grid NTS have provided for Modification Proposal 0195AV.

An issue came to light with the original legal text, which was not contained within the Final Modification Report but was made available by National Grid NTS, as it contained arrangements for the Distribution Network Operators (DNOs), as DN Users within the UNC, to be subject to NTS Commodity Charges. The view from all DNOs is that paying such charges would not be aligned with the nature and intent of the Modification Proposal and was not discussed during development of Modification Proposal 0195 or 0195AV.

Subsequent to this issue being raised, Ofgem issued an open letter expressing the desire for the industry to consider steps to resolve the matter prior to an Authority decision being taken. A specially convened UNC Modification Panel meeting took place on 4th December 2008 to consider this further.

Paragraph 9.5.2 of the Modification Rules allow for the Modification Panel to determine whether, under certain circumstances, an additional Consultation Phase should take place. This can occur when a Final Modification Report has been submitted to the Authority for consideration, and prior to an Authority decision being made, if circumstances relating to the Modification Proposal have materially changed. Even though the Proposer of Modification Proposal 0195AV, National Grid NTS, and the Distribution Network Representatives all confirmed that DNOs should not be subject to NTS Commodity Charges, the Panel members unanimously voted in favour of issuing the revised legal text for a supplementary 10 day Consultation Phase. This Consultation Phase will give all interested parties the ability to raise any issue they may have with the legal text that has now been provided.

I can confirm that WWU are satisfied that, if Modification 0195AV was to be implemented, we would not be subject to NTS Commodity Charges and the legal text provided reflects this.

24 hour gas escape number
Rhif 24 awr os bydd nwy yn gollwng

0800 111 999*

*calls will be recorded and may be monitored
caiff galwadau eu recordio a gellir eu monitro

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If you have any questions relating to the Modification Proposal Representation then please do not hesitate in contacting me.

Yours sincerely

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