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Re: Modification Proposal 0201V 'Small value invoice payment deferral'

Dear Julian,

Thank you for your invitation seeking representations with respect to the above Modification Proposal. National Grid Gas (Distribution), ("NGD") understands and supports the aims behind the proposal, however we continue to believe the objectives can be fulfilled by the existing UNC terms and are therefore of the view that implementation of the proposal is unnecessary.

As outlined in our representation to Modification Proposal 0201, NGD is of the view that there is ample opportunity within the prevailing invoice schedule for Users to batch payments of low value invoices with payments of higher value ('main') invoices.

We note that the proposer has varied its Proposal to clarify the availability of the proposed mechanism to Transporters as well as Users. NGD recognises therefore that Transporters (as well as Users) could be subject to disproportionately high transaction costs for low value payments (credits) to Users issued in isolation. As the vast majority of Use of System charges are User debits, NGD acknowledges that the opportunity for Transporters to batch payments with payments of higher value amounts is significantly reduced or non-existent.

However, we note that UNC TPD Section S3.8 enables a Transporter (subject to the agreement of the User) to set off amounts it is due to 'credit' to the User against amounts due to be paid by the User to the Transporter. As such debits are accrued throughout the month there is ample opportunity for Transporters to utilise the set off provisions to minimise transactional costs.

In conclusion, NGD still believes that both Users (via the prevailing invoice schedule) and Transporters (via the current UNC set off terms) can achieve the aims of the proposal in absence of any additional or amended UNC provisions.

Please contact Chris Warner on 01926 653541 (chris.warner@uk.ngrid.com) should you require any further information with respect to the above.

Yours sincerely

Richard Court
Customer Contracts and Regulation Manager