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Your Reference: Modification Proposal 0255.

Re: Modification Proposal 0255 'Publication of Objection Rates for LSP Supply Points'.

Dear John,

Thank you for your invitation seeking representations with respect to the above Modification Proposal. National Grid Gas plc (Distribution) (NGD) would like to offer the following comments in respect of this Proposal.

NGD recognises that the ability for a User to submit a Supply Point Objection pursuant to section G2.8 of the Transportation Principal Document of the UNC facilitates the provisions of Supplier Licence Condition 14 'Customer Transfer Blocking'. As a 'neutral party' in this transaction the Transporter is not required to establish the validity or otherwise of any Supply Point Objection submitted (G2.8.4(a) refers) and accordingly NGD has no direct interest in the publication or otherwise of this information.

NGD has procured a 'Rough Order of Magnitude' (ROM) estimate which indicates the implementation cost is likely to be between £4,000 and £26,000. This cost would be recovered via the 'User Pays' mechanism. NGD does not support the Proposal for 100% of this charge to be met by Transporters "*on the grounds that the low cost does not justify the administration of the User Pays charge*" as stated in paragraph 2b) of the Draft Modification Report. In principle, all charges subject to User Pays should be levied to the relevant parties.

In the event that the appropriate direction is given by the Authority, further analytical work would be required to assess the extent of implementation costs and the appropriate recovery methodology.

We trust that this information will assist in the compilation of the Final Modification Report.

Please contact Phil Lucas on 01926 653546 (phil.lucas@uk.ngrid.com) should you require any further information with respect to the above.

Yours sincerely,

Richard Court
Commercial Manager, Distribution.