

Bob Fletcher
Joint Office of Gas Transporters
31 Homer Road
Solihull
B91 3LT

12 August 2011

Dear Bob,

Re: UNC Modification Proposal 0374 - Interruptible to Firm – Supply Point Transition

Thank you for the opportunity to provide representation of the above noted Modification Proposal. Northern Gas Networks (NGN) is not supportive of this Modification Proposal. Please find below NGNs comments in respect of the Modification Proposal.

NGN are not supportive of this Modification proposal.

Summary:

The Proposal sets out a “soft landing” for those sites being required to transfer from Interruptible to “Firm” Status with effect from 1st October 2011 as a result of UNC Modification 90 which was directed for implementation in March 2007.

NGN Stance:

NGN do not support this modification. Although we agree with the proposer that customers need ample time to prepare for the stated changes, we believe that shippers have had sufficient time to prepare customers given that the issue was discussed as far back as 2007 for Mod 0090 and therefore another year to prepare should not be necessary.

NGN believes that Shippers have an ongoing obligation to ensure that the appropriate SOQs are registered for supply points, and that these should be regularly reviewed as part of the shipper-consumer contract review/negotiation process. Any increases required to the registered capacity for a supply point should then be updated in the Transporters systems. As stated above, NGN believe Shippers have had ample time to discuss the implications of the implementation of the final changes to the interruption regime with their customers and make the necessary arrangements to ensure that consumers do not offtake more than their registered capacity during the peak winter months.

Relevant Objectives:

The proposer argues that implementation of this modification would further Relevant Objective (c), the efficient discharge of the licensee’s obligations, as it would allow customers to establish appropriate SOQ levels without suffering charges. NGN cannot see this is Modification is related

to A11.1(c), and therefore does not consider that this Modification can further this relevant objective.

Self Governance:

We agree with the proposer that this is not a self governance modification.

Implementation:

We agree with the proposer that the modification could be implemented immediately if directed.

Legal Text:

We believe the legal text reflects the intentions of the modification.

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,



Joanna Ferguson
Network Code Manager