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National Gas Emergency Service - 0800 111 999* (24hrs) *calls will be recorded and may be monitored

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30th March, 2012 Your Reference: UNC Modification Proposal 0401S.

<u>Re: UNC Modification Proposal 0401S Amendments to the provisions for agreeing pressures</u> at the Offtakes from the National Transmission System to Distribution Networks

Dear Bob,

Thank you for your invitation seeking representation with respect to the above Modification Proposal which National Grid Gas Distribution (NGD) would like to support.

Do you support or oppose implementation?

Support.

Please summarise the key reason(s) for your support.

As the Proposer we would like to confirm that the intention of this Proposal is to rationalise the annual and daily pressure process for the NTS to DN Offtakes. If implemented it will identify significant Offtakes and for these a daily process will apply. For the remaining Offtakes a default applicable offtake pressure will apply. The current arrangements do not in any way recognise that some Offtakes are more significant, when it comes to pressure planning and management, than others.

In the early days of this Modification Proposal it had sought to address the situation where a DN may be put in a position of failing to meet another UNC provision purely through the process of accommodating a revised pressure request from NTS. It was recognised through the development of this Proposal that it was not necessary to amend the existing capacity management provisions and consequently no changes are proposed to the legal text for these existing provisions.

Are there any new or additional issues that you believe should be recorded in the Modification Report

No

Self Governance Statement:

Do you agree with the Modification Panel's decision that this should be a self-governance modification?

Yes.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Standard Special Condition A11.1 (f) "promotion of efficiency in the implementation and administration of the Code":

By placing the emphasis on monitoring and managing the most significant offtakes this Proposal, if implemented, would help to rationalise the existing regime.

Standard Special Condition A11.1 (b) "Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters":

The Mod seeks to make operation of the networks more efficient by focusing the agreed pressure process on important i.e. significant offtakes.

Impacts and Costs:

There are unlikely to be any additional cost resulting from the implementation of this Proposal. Whilst there may be a little more work associated with the initial annual process for pressure management, this should be offset by a reduced ongoing administrative burden in relation to the daily process.

<u>Comments:</u> NGD's response in relation to the comments provided by E.ON UK in their representation to this Modification Proposal, where we have been asked to clarify that implementation would not affect other Users and their network access rights. NGD would like to clarify that this Proposal is aimed at streamlining an existing process which already exists for managing pressures at the NTS to DN Offtakes and we do not therefore believe that it will impact other Users.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why? We have nothing to add to the information identified within the Draft Modification Report.

Legal Text:

NGD is satisfied that the text as published by the Joint Office within the Draft Modification Report meets the requirements of the Modification Proposal.

Is there anything further you wish to be taken into account?

No.

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

Please contact me on 01926 653994 (alison.chamberlain@nationalgrid.com) should you require any further information.

Yours sincerely,

Alison Chamberlain National Grid Gas, Distribution