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

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16th July 2014 Your Reference:UNC Modification Proposal 0467

<u>UNC Modification Proposal 0467 - Project Nexus – iGT Single Service Provision; data preparation</u>

Dear Bob,

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

Do you support or oppose implementation?

Support

Please summarise (in one paragraph) the key reason(s) for your support/opposition:

NGD raised and led development of UNC 'Project Nexus' Modification 0440 which is presently awaiting a decision by Ofgem. We are strong advocates of the 'single service provision (SSP)' component of Project Nexus and view implementation of this Modification Proposal as an important pre-requisite for implementation of the new arrangements for iGT SSP.

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

We have not identified any such issues.

Self Governance Statement:

We agree that this Modification Proposal should be not be subject to self-governance procedures given its material effect on consumers.

Relevant Objectives:

Relevant Objective d) Securing of effective competition:

- (i) between relevant shippers;
- (ii) between relevant suppliers; and/or

(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

NGD concurs with the statement in the Draft Modification Report that this Modification Proposal is essential to enable preparation for implementation of the new CSEPS regime identified within UNC Modification Proposal 0440. We view this Modification being the first of a series of 'transitional' proposals required to enable implementation of the Project Nexus regime which in turn facilitates GT Licence relevant objective d).

Impacts and Costs:

We concur with the statement in the Draft Modification Report concerning the funding of this Modification Proposal and we have no further comment in this respect.

Implementation:

This Modification Proposal can be implemented with immediate effect.

Legal Text:

NGD is satisfied that the drafting as published by the Joint Office within the Draft Modification Report meets the requirements of the Modification Proposal. It will be noted that the Proposal advocates changes to Annex A of the LDZ CSEP NExA and therefore the drafting provided is not Legal Text per se.

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

We have not identified any further issues or concerns.

We trust that this information will assist in the compilation of the Final Modification Report. Please contact me on 01926 653541 (chris.warner@nationalgrid.com) should you require any further information.

Yours sincerely,

Chris Warner Network Code Manager, Distribution