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*calls will be recorded and may be monitored

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25th August 2016
Your Reference: UNC Modification Proposal 0592S

UNC Modification Proposal 0592S - Separation of National Grid Transmission and Distribution owned networks - Transitional invoicing arrangements

Dear Bob,

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

Do you support or oppose implementation?

Support

Self-Governance Statement

We agree with the view of the UNC Modification Panel that this Modification should be subject to Self-Governance procedures. This is based on our belief that the proposed changes do not have a material effect on gas customers, contractual arrangements between UNC parties or commercial activities associated with the shipping of gas.

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

NGGD believes that the measures identified within the Modification Proposal are fundamental to enabling the efficient 'hive-across' of National Grid Gas' Distribution business to National Grid Gas Distribution Limited (NGGDL) in anticipation of the sale of NGG's Distribution networks likely to occur in early 2017.

Implementation

This Modification Proposal can be implemented with effect from a UNC Modification Panel decision and allowing for the requisite period for an appeal of the self-governance determination.

Impacts and Costs

No requirement for User Pays arrangements to apply has been identified.

Legal Text

NGGD is satisfied that the drafting and legal text commentary contained within the Modification Proposal meets the requirements of the Modification.

Are there any errors or omissions in this Modification that you think should be taken into account?

We have not identified any errors or omissions within this Modification Proposal.

Please provide below any additional analysis or information to support your representation

We note that the Modification 0582S will be implemented with effect from 12th September 2016. This was a pre-requisite for this Modification to become effective.

We are grateful for the co-operation of the industry during assessment of this Modification. In particular we appreciate the constructive feedback regarding the application of Credit terms which led to our withdrawal of UNC Modification Proposal 0585. We believe the measures identified in this Proposal offer a practical and pragmatic interim step leading to implementation of a full invoicing solution in due course.

We believe it remains essential for NGGD to ensure UNC parties are informed and supported at all stages with respect to the associated administration requirements; including accession to NGGD's Network Code in the period leading up to 'hive-across' as well as during and following the subsequent network sale. A dedicated team within NGGD will continue to work to oversee and provide individual support to parties as necessary throughout this process.

We do not believe any additional analysis is necessary.

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
Stakeholder Implementation Manager, Distribution