

Northern Gas Networks Limited

Registered in England & Wales No 5167070 Registered Office 1100 Century Way Colton Leeds LS15 8TU

Tel: 0113 397 5300

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

30 March 2012

Dear Bob,

Re: UNC Modification Proposal 0373 - Governance of NTS Connection Processes

Thank you for the opportunity to provide representation of the above noted Modification Proposal. Northern Gas Networks (NGN) offers comments on this Modification Proposal. Please find below NGN's comments in respect of the Modification Proposal.

NGN offers comments on this Modification proposal.

Summary of key reasons:

This Modification Proposal seeks to revise the National Transmission Service connections process. While we are supportive of any plans to improve the clarity and procedures of existing processes we are offering comments as we have concerns that a precedent could be set surrounding the connections process and strongly feel that NGN's own connections processes should remain outside of the UNC as it is a competitive open market.

Additional or new issues:

N/A

Self Governance Statement:

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

N/A

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

| Condition | Description | NGN View |
|-----------|--|--|
| A11.1(a) | Efficient and economic operation of the pipe-line system | |
| A11.1(b) | Efficient and economic operation of the combined pipe-line systems | Improved clarity and a refinement of procedures would lead to a more efficient and economic operation of the combined pipe-line systems. |
| A11.1(c) | Efficient discharge of the | |



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| | licensee's obligations | |
|----------|--|--|
| A11.1(d) | Securing effective competition: i) Between shippers ii) Between suppliers iii) Between DN operators and shippers | Improved clarity of procedures can help secure effective competition as shippers have an equal and clear understanding and can therefore make more informed decisions. |
| A11.1(e) | Provision of economic incentives for security of supply to domestic customers | |
| A11.1(f) | Promote efficiency in the implementation and administration of the UNC | |

Impact and costs:

We agree with the impact and costs as outlined in the Draft Modification Report.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

We agree with the proposer that the Modification could be implemented once sufficient notice of the new fixed charge has been given.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes.

Any further information:

N/A

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,

Alex Ross

Network Code Officer