

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

11 December 2013

Dear Bob,

**Re: UNC Modification Proposal 0418/A - Review of LDZ Customer Charges**

Thank you for the opportunity to provide representation of the above noted Modification Proposal. Northern Gas Networks (NGN) supports 0418 and does not support 0418A. Please find below NGN's comments in respect of the Modification Proposal.

**NGN supports 0418 and does not support 0418A.**

**Summary of key reasons:**

NGN's views are unchanged from our original representation. Although implementation of 0418 will have an impact on domestic consumers this only relates to 1/2p per day. The increased cost reflectivity ensures that NGN manages its licence obligations in the most efficient manner.

**Additional or new issues:**

NA

**Self Governance Statement:**

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

NA

**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	NGN believe both proposals would facilitate this Relevant Objective. However, we believe that 0418 is more appropriate than 0418A.
A11.1(b)	Efficient and economic operation of the combined pipe-line systems	NGN believe both proposals would facilitate this Relevant Objective.
A11.1(c)	Efficient discharge of the licensee's obligations	NGN believe that implementation of 0418 over 0418A would facilitate this

		Relevant Objective as described above.
A11.1(d)	Securing effective competition: i) Between shippers ii) Between suppliers iii) Between DN operators and shippers	
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	
A11.1(g)	Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-Operation of Energy Regulators	

**Impact and costs:**

*What analysis, development and ongoing costs would you face if this modification were implemented?*

Systems development will be incorporated within the Project Nexus changes. If there are system costs to implement the change it will be met by Transporters as detailed in the Workgroup Report.

**Implementation:**

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

We are satisfied with the suggested target implementation date of 01 April 2015 as outlined in the Workgroup Report.

**Legal Text:**

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

Yes

**Any further information:**

NA

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-Shaw  
Network Code Officer