

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

4 March 2011

Dear Bob,

Re: UNC Modification Proposal 0353 – Population and Maintenance of the Market Sector Flag within the Supply Point Register

Thank you for the opportunity to provide representation of the above noted Modification Proposal. Northern Gas Networks (NGN) is supportive of this Modification Proposal. Please find below NGNs comments in respect of the Modification Proposal.

Populating the Market Sector Code (MSC) of a Supply Point has only been mandatory since 2001. Therefore any Supply Point that has not been confirmed since this time is likely to remain unpopulated. The level of unpopulated MSCs remains at a high level (approximately 28.9%) and it is clear from industry discussions that this information is considered to be of some importance. In addition to the industry comments throughout Project Nexus about use of market differentiation, robust and complete population of this data field would provide better information to the Distribution Networks about the occupation and use of supply points within each network.

The Modification Proposal seeks to obligate all Shippers to populate the (MSC) of every Supply Point where they are the relevant Shipper and to maintain it. There are numerous industry processes that rely on the accuracy of this data and we support measures to help improve their accuracy. NGN supports this process and believes that it is appropriate, given the length of time that has elapsed since mandatory population of supplier transfer, which this Modification seeks to redress the deficit in the data.

NGN agrees that this Modification Proposal would also end the anomaly between the Standard Condition Licence and Gas Shipper licence whereby SLC17 states a Supplier must inform a Shipper if a premise changed from domestic to non-domestic or vice-versa, and if the Supplier is also the Shipper they must pass the information on to Transporters, however if the Supplier is not the Shipper and has ownership of the site prior to 2001, the Shipper has no obligation to inform the Transporter of the change.

NGN has been actively involved in the numerous discussions on this issue dating back to 2009 and we believe the proposer has consulted widely before publishing the Modification Proposal. The proposed six month transition period combined with the blank MSC portfolio reporting will help ensure Shippers will be fully aided by the Transporters in complying with the Modification.

NGN agrees with the proposer that this proposal will better facilitate relevant objectives A11.1:

- c) Efficient discharge of the licensee's obligations as a fully populated MSC field would enable Transporters to more easily discern between domestic and non-domestic customers/premises without requiring additional contact with the customer, which reduces the efficiency with which Transporters can fulfil their license obligations.
- d) The securing of effective competition as accurate population of MSC values will allow for accurate differentiation between domestic and non-domestic properties, leading to more accurate Aqs and therefore an improvement in allocation, which means an improvement in cost targeting that will promote effective competition between relevant Shippers.
- f) It will promote efficiency in the implementation and administration of the Code for all UNC processes that differentiation between domestic and non-domestic customers/premises and future Modification Proposals that rely on this differentiation will be able to be implemented in an efficient manner by the Transporters.

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,



Joanna Ferguson
Network Code Manager