

John Bradley
Joint Office of Gas Transporters
31 Homer Road
Solihull
B91 3LT

Chris Warner
Network Code Manager, Distribution
chris.warner@uk.ngrid.com
Direct tel +44 (0)1926 65 3541

www.nationalgrid.com

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Your Reference: Modification Proposal 0231V.

Re: Modification Proposal 0231V 'Changes to the Reasonable Endeavours Scheme to better incentivise the detection of Theft

Dear John,

Thank you for your invitation seeking representations with respect to the above Modification Proposal. National Grid Gas plc (Distribution) ('NGD') would offer the following comments.

We understand that this Proposal seeks to incorporate a number of provisions from the Reasonable Endeavours Allowances Scheme into the Uniform Network Code and elements of the Reasonable Endeavours Scheme into a UNC Related Document. Whilst the proposer believes that this will increase the transparency and governance of the Reasonable Endeavours Scheme, to avoid issues associated with dual governance, in the event of implementation it will be necessary to ensure that provisions incorporated within the UNC are removed from their current locations.

We note that a requirement of this consultation is the provision of evidence to support the proposed increases in the levels of compensation payable to Users for identification and investigation of incidents of theft. Clearly, the provision of such evidence is critical to inform an assessment of whether the Proposal better facilitates the relevant objectives of the UNC.

Finally, to the extent that existing payments made to Users under the Reasonable Endeavours Scheme (pursuant to standard condition 7(5) – 7(7) of the DN Licence) are classified as "Distribution Network allowed pass-through items" under Special Condition E3 of the DN Licence, we believe that if in the event of implementation such payments are alternatively paid pursuant to the UNC, these should also be classified as a "Distribution Network allowed pass-through items".

We trust that this information will assist in the compilation of the Final Modification Report.

Please contact me on 01926 653541 (chris.warner@uk.ngrid.com) should you require any further information.

Yours sincerely,

Chris Warner
Network Code Manager, Distribution.