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Modification Proposal 0278 'Amendments to NTS Shrinkage Reporting Process'

Dear John,

Thank you for your invitation seeking representations with respect to the above Modification Proposal. As proposer, National Grid NTS supports the implementation of Modification Proposal 0278.

The Modification Proposal will amend the UNC to reflect recent improvements to the NTS Shrinkage reporting process and NTS Shrinkage Factor calculation. These improvements will enable Users to assimilate the new time relevant NTS Shrinkage data more easily and inform any commercial actions that they may wish to undertake. In addition, implementing the Modification Proposal will create a further benefit in terms of the greater data transparency provided to Users, with both NTS and LDZ Shrinkage forecast information being published for the same period (1 April to 31 March).

Extent to which implementation of the proposed modification would better facilitate the relevant objectives:

In respect of Standard Special Condition A11 1a) the efficient and economic operation of the pipeline system to which the licence relates; National Grid NTS believes that this proposal, if implemented, would better facilitate this relevant objective by coordinating the Shrinkage reporting of both LDZ and NTS Shrinkage forecasts. In addition, the improved accuracy of NTS Shrinkage Factor reporting will ensure the efficient procurement of gas to cover NTS Shrinkage.

In respect of Standard Special Condition A11 1d) the securing of effective competition between Shippers; National Grid NTS believes that this proposal, if implemented, will provide more accurate, timely and relevant NTS Shrinkage information to Shippers who may wish to sell gas to meet the requirements of NTS Shrinkage.

Please let me know if you require any further information to enable preparation of the Final Modification Report.

Yours sincerely

Nick Reeves