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**Subject:** UNCC meeting - 15th July 2010. Action UNCC003  
**Date:** 11 August 2010 18:06:31 GMT+01:00  
**To:** "Joint Office" <enquiries@gasgovernance.co.uk>  
**Cc:** "Raper, Alan" <alan.raper@uk.ngrid.com>

Joint Office,

I refer to the minutes of the UNCC meeting held on 15<sup>th</sup> July 2010 regarding **Action UNCC003**: "National Grid Distribution to provide their understanding of the legal text implemented for UNC0229".

National Grid Distribution (NGD) would like to respond to this action as follows:

Within Modification Proposal 0229, Section 4 in 'Our Proposal' states "Changes to the volumes in the Large Supply Point Unidentified Gas allocation table would be announced and could only be implemented for the following year.....". However, the Proposal does not expressly state the date at when the first allocation of costs would apply from. Mindful of this, as a consequence of conversations between Ofgem and NGD following the submission of the first iteration of the legal text to Ofgem, it was determined that an AUG Year definition of '*the twelve month period commencing 1 April 2011.....*' should be incorporated within the drafting.

As a consequence of industry development and review of the Allocation of Unidentified Gas Document, whilst the legal text provides for the first AUG Year to commence on 1 April 2011, it is unlikely that the relevant processes will be completed by this date.

Five UNC Modification Proposals, 0313, 0317, 0317A, 0326 and 0327 have now been raised to address the situation.

If any of these Proposals were implemented they would provide an opportunity to clarify that irrespective of when the AUG completed its work, there would be provision for Unidentified Gas Amounts from 1 April 2011. Therefore we believe that an Ofgem decision on these Modification Proposals, in particular Proposal 0313 would provide an opportunity to gain absolute clarity. To assist, we have provided indicative transitional drafting for 0313:

Transition Document

TPD Section E10

1. It is acknowledged that the steps (including appointment of AUG Expert, establishing AUG Methodology and establishing AUG Table) first required under TPD Sections E10.2 and E10.4 will not be completed by the start of the first AUG Year (1 April 2011).
2. Accordingly, for the purposes of TPD Section 10:
  - (a) the first AUG Table to be established and adopted by the Committee as provided in TPD Section E10.4.3(g) shall apply (notwithstanding TPD Section E10.5.4) for the purposes of TPD Section E10.5 in relation to:
    - (i) the AUG Year commencing 1 April next following the adoption of such AUG Table, and
    - (ii) each prior AUG Year commencing with the first AUG Year;
  - (b) as soon as reasonably practicable following the adoption of such AUG Table, the net aggregate amount of the User Unidentified Gas Amounts for each User and for all Reconciliation Billing Periods in each prior AUG Year (as referred to in paragraph (a)(ii) above) shall be paid (by or to the User, as provided in TPD Section E10.5.3), and shall be invoiced and payable in accordance with TPD Section S, as a single net aggregate payment, in satisfaction of TPD Section E10.5.3, without interest in respect of the period prior to the due date of the relevant invoice.

We would be grateful if this response could be circulated to members of the UNCC.

Regards,

**Chris Warner**

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