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*calls will be recorded and may be monitored
caiff galwad au eu recodio a gellir eu monitro

Mr J Majdanski
Secretary, UNC Modification Panel
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
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West Midlands
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5th July 2005

Dear Julian

Re: Modification Proposal 0021

Wales & West Utilities (WWU) wishes to submit the following in response to the above draft modification report. My apologies for the slight delay.

In general, we are supportive of any proposal which endeavours to incentivise Users to manage their own portfolios and incorporates provisions which will minimise the likelihood of an emergency occurring and/or limit the duration of an emergency. On this basis we support the intent of the proposal. We do not think it appropriate to comment on its commercial elements, however, as these do not directly impact our operations.

Our comments relate to the second part of the proposal, namely the Emergency Interruption Volume title trade component. Specifically, we wish to comment on the implementation and operational issues associated with this element of the proposal.

The legal drafting provided in the report provides a definition for Emergency Interruption Volume, that being:

“Emergency Interruption Volume” means, in respect of a User, the aggregate volume of gas which Transco NTS reasonably estimates that User would have offtaken from the Total System at System Exit Points in respect of which Emergency Interruption had been called but for the fact that Emergency Interruption had occurred at those System Exit Points.

We wish to point out that the DNs will be providing Transco NTS with estimates for interruption which has occurred within their networks during the Emergency Interruption period. In practical terms the determination of these estimates will be generated through the application of an algorithm, as DN embedded sites tend not to be telemetered, but datalogged.

WWU believes that it would be helpful if the methodology applied by the DNs for determining estimated interrupted volumes was incorporated into the UNC. This would ensure that the methodology is transparent and open to modification if appropriate and as a result not open to *ex-post* challenge. For clarification, we believe that the methodology or algorithm will apply at the supply point level.

In terms of the implications of implementing the proposal, initial analysis suggests that the costs likely to be incurred by WWU will be immaterial. On this basis we suggest that the DN

costs associated with implementation should not be viewed as a barrier to introducing the emergency interruption volume component of the proposal.

We trust that our comments are useful and please contact me if you require any further information

Yours sincerely

Julian Bagwell

Commercial Director