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Mr J. Majdanski
Secretary, Modification Panel
Joint Office
National Grid Transco

17 August 2005

Dear Julian

Re: UNC Modification Proposal 0038 - "Provision of Information to Support Development of the NTS Investment Programme"

Thank you for the opportunity to comment on this Modification Proposal.

Transco NTS supports implementation of this Proposal. As the proposer of Modification 0038, Transco NTS set out its initial views on the Proposal, in particular how Transco NTS considered the Proposal would better facilitate the Relevant Objectives, within the Proposal itself. We therefore include below additional comments beyond those included within the Proposal.

The initial version of the Proposal which Transco NTS submitted to the July Modification Panel was amended in light of discussions at the Distribution Workstream on 28th July 05 to include the provision of information regarding the availability of NTS Offtake Capacity and Assured Offtake Pressures by Transco NTS to DNO Users. This information would be for 5 years ahead and only for Gas Years for which they had not already been allocated capacity – in effect this would be for a limited number of Gas Years, assuming the enduring exit arrangements are implemented by Sept 2007. Transco NTS consider that including the exchange of this information within the Proposal would replicate internal processes which existed prior to implementation of the UNC, as far as appropriate under the new commercial regime, and would support DNO Users undertaking efficient and economic system investments and align with their Safety Case requirements. However Transco NTS consider that it would not be relevant to include similar obligations on Transco NTS to provide information regarding the availability of exit capacity to Shipper Users at NTS Supply Points and NTS CSEPs on the basis that:

- Shipper Users do not need to be able to demonstrate compliance with Safety Case and Licence obligations regarding system investment as is the case for DNO Users, and hence don't require such information to be provided as matter of course each Gas Year;
- However if Shipper Users did wish to obtain such information, it could request such information as part of a budget enquiry for a potential new connection, or load growth at an existing offtake, as part of existing connection processes.

We hope that this additional information is helpful in preparation of the Final Modification Report for this Proposal.

Yours sincerely,

Paul Roberts
Gas Charging and Access Development Manager