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22 August 2005

UNC Modification Proposal 0044  
“Revisions to the Emergency Cash-out and Curtailment Arrangements”

Dear Julian,

Thank you for your invitation seeking representation with respect to the above Modification Proposal (MP0044).

We remain of the view that implementation of MP0044 will better facilitate the Relevant Objectives and that the decision to implement should be taken as soon as reasonably practical to enable the earliest opportunity for Users to respond to the revised framework prior to the 2005/6 winter. It is the changed behaviours that we believe implementation might encourage that will reduce the risk of emergency procedures being invoked and therefore better deliver security of supply to consumers.

Transco NTS, as the Modification Proposer, has already indicated its rationale for the support in the Modification Proposal text. Furthermore Transco NTS has provided further material to support the proposal including the following documents:

- Notification of Demand Side curtailment to relevant Transporter<sup>1</sup>
- Note providing clarification in respect of Modification Proposal 0044<sup>2</sup>
- Supporting ECQ Calculation Methodology<sup>3</sup>.

The above notes have been supplied as attachments to this submission.

We recognise and support Ofgem's view (expressed in the Modification Proposal 0021 decision letter<sup>4</sup>) that the emergency arrangements would benefit from amendment of both the

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<sup>1</sup> Note despatched from JO 15 August 2005 filename “P70 note to workstream August 2005 v1.0”

<sup>2</sup> Note despatched from JO 17 August 2005 filename “050817\_0044\_clarificatory\_note”

<sup>3</sup> Note despatched from JO 17 August 2005 filename “050817\_ECQ title trade Quantity Calculation Methodology v0.7”

<sup>4</sup> Ofgem 0021 Decision letter 29<sup>th</sup> July “Uniform Network Code modification proposal 021 “Revision of the Emergency Cash-out Arrangements” “

cash-out price determination and the introduction of the Emergency Curtailment Quantity (ECQ) concept.

We believe that the primary aim of the proposal is to create an environment where Emergency Curtailment is avoided. However, should such a circumstance occur, then the arrangements should maintain appropriate cash-out arrangements taking due account of the impact of Emergency Curtailment.

We note some industry participants' perceptions of the complexity associated with the ECQ determination process. However, we understand that Transporters will be able to use existing systems/data to produce the required reasonable estimates of contributions to the ECQ. Additionally we highlight that Users have access to a claims process, should they seek to use it, designed to ensure that if they believe any resulting ECQ component is inappropriate then the ECQ can subsequently be adjusted following expert determination.

In response to the discussions and correspondence that have taken place with regard to this Proposal Transco NTS believe that it would be appropriate to amend the legal text in respect of the adjustment processes that would apply after a successful ECQ adjustment. The changes deliver the intent of the proposal with greater clarity and are consistent with discussion in the UNC Transmission Workstream and the note providing clarification referred to earlier in this submission. The proposed legal text that we would advocate for this Proposal is included in attachment 4. For completeness we have also included a further attachment to this response in a change marked form to indicate changes from the proposal legal text that was available for the consultation.

Please let me know if you, or the SME assigned to this Proposal, require any further information to enable preparation of the Final Modification Report.

Yours sincerely

Nigel Sisman

Attachments:

1. P70 note to workstream August 2005 v1.0
2. 50817\_0044\_clarificatory\_note
3. 050817\_ECQ title trade Quantity Calculation Methodology v0.7
4. UNC Mod 0044 (Version 2.0) (Revised legal drafting)
5. UNC Mod 0044 (Version 2.0) (WSComparison to Version 1.0)



"P70 note to workstream August 2



050817\_0044\_clarificatory\_note.doc



"050817\_ECQ title trade Quantity Calcul



UNC Mod 0044 (Version 2.0).doc...



UNC Mod 0044 (Version 2.0) (WS...