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Monday, 27<sup>th</sup> November 2006

**Response to UNC Urgent Modification Proposal 122: Restriction of invoice  
billing period to Price Control"**

Dear Tim,

We understand that this Modification Proposal was raised in response to the Farningham Metering error. We share the concerns of the proposer of this Modification Proposal and therefore support its implementation.

During the course of the Billing Operations Forum held on 24<sup>th</sup> November no shippers who were present, which included nearly all active shippers in the market, were opposed to the restriction of the billing invoice period to the Price Control period as envisaged in this Modification Proposal.

During the course of the discussions concerning Farningham it became apparent that there are clear financial benefits for transporters from this adjustment. It has also been stated by experts called into investigate the error that there is probable bias for LDZ meters, should they become faulty, to under record consumption. Considering there is an underlying bias in the way in which meters are likely to fail and the current lack of clear motivation upon the transporters who own these meters to ensure their accuracy a change to the UNC TO implement an incentive is clearly required.

Without this incentive the situation will no doubt be encountered again (there have been several instances in the past 4 years of LDZ metering errors). These errors create uncertainty in the smaller supply point market and therefore particularly affect the function of competition between shippers and suppliers active in the domestic market.

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This proposal as well as Modification Proposal 117 highlights the need for a major review of the time limit for processing large adjustments to the RbD community.

We welcome this proposal UNC Review Proposal 126 and hope that these will result in changes to the current processes that will apply the appropriate incentives to parties to ensure issues are concluded within a reasonable period of time.

Yours sincerely

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