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22 December 2006

Modification Proposals 0128: "Amendment to Entry Capacity Baselines"

Dear Julian,

Thank you for your invitation seeking representations with respect to the above Modification Proposal.

As a DNO, National Grid (Distribution) is not directly exposed to the commercial consequences of implementation but, nevertheless would like to submit comments regarding the regulatory process being adopted in the instance.

Concern

Basically, we are concerned that the UNC modification process is being used to amend licence conditions. We appreciate that the proposed amendment is a result of transitioning from one price control to another; nevertheless if it is appropriate for the licence to change, it should be done by way of an approved regulatory process, not by changing the UNC and referencing the change back to the licence.

We note in the proposal that the proposer suggests that this type change should be dealt with through the licence modification but time constraints require the amendment to be in place for mid January. While we understand the time pressure to implement the change, we do not believe that the UNC modification process should be, or even can be used¹, to initiate a licence amendment consultation and potentially provide vehicle for licence change.

While the Authority is the ultimate arbiter in the matter, from our perspective, we would see implementation as setting an undesirable precedent for network code parties to initiate licence amendment consultations. Our regulatory risk would rise accordingly.

Hence, we cannot support implementation.

Yours sincerely

Phil Lawton
Distribution Regulation Manager

¹ Reference: UNC MR1.1(b)