

Mr. Julian Majdanski
Joint Office of Gas Transporters
Ground Floor R
Homer Road
Solihull
B91 3QJ

Phil Lawton
Manager – Regulation
phil.lawton@uk.ngrid.com

Direct tel +44 (0) 1926 656448
Direct fax +44 (0) 1926 656620

www.nationalgrid.com

11 January 2007

Dear Julian,

UNC Modification Proposal 0129: 'Delay to the 2007 AMSEC Auction'

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

National Grid Gas plc (UK Distribution), ("Distribution") supports the implementation of Modification Proposal 0129.

We believe that the issue raised by the proposer does present commercial risks for the NTS and other parties through the potential for increased buy-back costs. If this risk can be avoided by only selling correct baseline levels of entry capacity in the first place, this will facilitate the economic and efficient operation of the NTS pipeline system.

Our concerns with the previous modification proposed (0128) related to whether a UNC modification could legitimately over-write the contents of the licence. Modification 0129 addresses the problem identified by NTS by varying the timing of auctions, which are specified in the UNC, and hence our previous concerns no longer apply.

Distribution therefore supports the implementation of Modification Proposal 0129 on the basis that it will facilitate the economic and efficient operation of the NTS pipeline system.

Yours sincerely,

By Email

Phil Lawton.