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Dear Julian

Re: Modification Proposal 0139/0139A: "Amendments to UNC TPD OCS Process and Long Term Allocation of Capacity in the Transitional Period"

Thank you for your invitation seeking representations with respect to the above Modification Proposal. These comments are on behalf of National Grid Gas plc (UK Distribution) ("Distribution").

At the outset we would like to make it clear that we do not consider that proposal 0139A is an alternate to proposal 0139. Mod 0139 seeks to introduce an additional stage into the OCS process; proposal 0139A adds information provision clauses to the proposal rather than altering it. By allowing this as an alternate to the proposal after 0139 has been voted to go to consultation the proposal has not received the benefit of being discussed at Mod Panel to decide whether the proposal should go to workstream for development or go straight to consultation. If it is felt that the information provision is important for the implementation of the enduring regime then this should be raised as a separate proposal that should then go through the appropriate governance.

In terms of support we are neutral towards the implementation of proposal 0139. We recognise the issue underpinning the proposal and it has the advantage that should a request for capacity be rejected an early indication of the maximum available capacity can be obtained. A disadvantage of the proposal is that it foreshortens by one week the period in which we can request capacity in what is already a very challenging timeline. The proposal seeks to contractualise a further step into the OCS process which could be achieved through informal discussion.

We do not support the implementation of Proposal 0139A. Notwithstanding that we do not consider that 0139A is an alternate to 0139 we think the proposal would benefit from further development. The information provision element of the proposal is not constrained by the implementation timescales of 0139 and therefore there is time for proposal development and we feel the proposal would benefit from discussion on the precise detail of the information provision clause and the impact on industry participants.

The following comments relate to the extent to which 0139 could better facilitate the relevant objectives. We have qualified our comments because we feel the proposal has advantages and disadvantages.

We feel there isn't sufficient clarity on 0139A to be able to comment on how it would better facilitate the relevant objectives.

Extent to which implementation of the proposed modifications would better facilitate the relevant objectives

Gas Transporter Licence Standard Special Condition A11.1

(a) *the efficient and economic operation of the pipe-line system to which this licence relates;*

the implementation of the Proposal could enable DNO Users to receive a more timely allocation of capacity, and if so, would allow DNO Users and National Grid NTS (“NTS”) to undertake better informed investment decisions in their own networks and thereby better facilitate the efficient and economic operation of their pipeline system. However, by reducing the time available to submit capacity requests this could have a negative impact on the efficient and economic operation of their pipeline system.

(b) *so far as is consistent with sub-paragraph (a), the coordinated, efficient and economical operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters;*

the implementation of the Proposal could enable NTS and DNO Users to formally confirm NTS/LDZ Offtake Capacity levels to support their respective investment decisions and thereby better facilitate the co-ordinated, efficient and economic operation of the combined pipe-line system. However, as with A11.1(a), by reducing the time available to submit capacity requests this could have a negative impact on the co-ordinated, efficient and economic operation of the combined pipe-line system.

I hope you find these comments helpful.

Yours sincerely,

Mark Freeman