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**RE: Modification Proposal 0154 - Enduring Provisions for LDZ System Entry Points**

Dear Tim,

Thank you for the opportunity to respond to the above Modification Proposal. E.ON UK does not support this Proposal.

Although sympathetic to enabling gas to enter the Total System from LDZ System Entry Points excluded from NG NTS's Transporter Licence, we believe that implementation of this Proposal is likely to introduce different sets of arrangements that could be considered discriminatory and lacking in transparency.

We understand that this Proposal originated as an interim solution to a specific issue at Holford (Modification 0105) and as such, we are concerned as to how appropriate this solution is in establishing the precedent for enduring arrangements for future developments. In particular, legislating different commercial arrangements for LDZ connections may not be appropriate for enduring arrangements and could be seen as discriminatory. Similarly, new developments attaching to the NTS would be operating in a different commercial environment to those connected to LDZ System Entry Points.

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The Proposal requires a DNO to allow gas into the system in accordance with terms and conditions established in bilateral agreements between Transporter and Delivery Facility Operator (DFO). It is our understanding that the bilateral agreements would

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not be regulated and without transparency of such agreements, it is questionable as to whether connecting parties would receive equitable terms and conditions. In light of these concerns, we believe that the proposed arrangements fail to facilitate the achievement of the Relevant Objectives.

Following acceptance of Standard Special Condition D12, we understand that DNOs are obliged to offer connection terms to operators wishing to introduce gas directly into an LDZ. There is great uncertainty as to how many new entry points will be connected to GDNs in the future, and as such alternative approaches should be sought. Perhaps, for example, only facilities of a certain (small) size should be eligible to benefit from the new arrangements. Alternatively, Ofgem may wish to consider a licence change to incorporate new LDZ entry points thus limiting the potential for discrimination.

Whichever way this Proposal proceeds, we would hope that the appropriateness of the long-term arrangements could be reviewed in the near future.

If you have any questions or queries regarding this response, please do not hesitate to contact me.

Yours sincerely

**Alexandra Campbell**  
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