



The Joint Office, relevant Gas Transporters, Shippers and other Interested parties

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*Promoting choice and value for all customers*

Our Ref: Net/Cod/Mod/UNC170  
Email: [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk)

Date: 05 September 2007

### **UNC170: User Admission Requirements for Applicant Shippers Who Solely Wish to Participate in Long Term Entry Capacity Auctions**

Following consideration of the request from Macquarie Bank Ltd that modification proposal UNC170: *User Admission Requirements for Applicant Shippers Who Solely Wish to Participate in Long Term Entry Capacity Auctions* follow urgent procedures, Ofgem has today agreed to that request.

#### **Characteristics of urgent modifications**

Our view is that, in general, urgent modifications are likely to exhibit at least one of the following characteristics:

- There is a very real likelihood of significant commercial impact upon NGG, industry parties, or customers if modification proposal is not urgent;
- Safety and security of the network is likely to be impacted if a proposed modification is not urgent; and
- The proposal is linked to an imminent date related event.

#### **Applying these characteristics to UNC170**

In reaching our decision on granting urgent status we have considered the Proposer's justification for urgency. Ofgem considers that this proposal satisfies the criteria for granting urgent status to a modification proposal, as set out in its published guidelines.

*1) There is a real likelihood of significant commercial impact upon Gas Transporters, Shippers or Customers if a proposed modification is not urgent;*

Without evaluating the merits of the proposal, Ofgem recognises UNC170 raises the question of whether preventing applicant Users from participating in the QSEC auctions would be a potential barrier to market entry. If this was the case, preventing such Users from participating in the QSEC auctions and thereby competing effectively in the competitive market could potentially impact the ability of the market to secure effective competition. Without evaluating the merits of the proposal, this could have a real likelihood of significant commercial impact on some gas Shippers, as well as the investment signals provided to NGG as owner of the NTS.

*3) The proposal is linked to an imminent date related event*

The Proposer of UNC170 suggests that this proposal needs to be given urgent treatment in order to implement the change in advance of the September 2007 QSEC auctions.

#### **Urgency Timetable**

Ofgem therefore consents to urgency on the grounds that this proposal meets urgency criteria 1) and 3).

#### Process Date

Proposal submitted to Ofgem for decision on urgent status	04/09/07
Ofgem grant urgent status	05/09/07
Proposal issued for consultation	05/09/07
Close-out for representations (3 Business Days)	10/09/07
Final Modification Report to the UNC Modification Panel	11/09/07
UNC Modification Panel recommendation	13/09/07
Ofgem decision expected	14/09/07
Proposed Implementation date (subject to Ofgem's decision)	15/09/07

Ofgem requests that proposed legal text for this UNC modification proposal is submitted as soon as possible and in any event before the Final Modification Report (FMR) is issued. For the avoidance of doubt, in accepting this request for urgency, Ofgem has made no assessment of the merits of the modification proposal and nothing in this letter in any way fetters the discretion of the Authority in respect of this modification proposal.

If you have any queries or comments in relation to the issues raised in this letter, please feel free to email [industrycodes@ofgem.gov.uk](mailto:industrycodes@ofgem.gov.uk).

Yours sincerely,



**Mark Feather**  
**Associate Director, Industry Codes and Licensing**