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Mr John Bradley

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Modification Proposals UNC0185/UNC0185A 'Meter Error Notification Process'

Dear John,

Thank you for your invitation seeking representation with respect to the above Modification Proposals.

The NTS Shrinkage Provider (NTS SP) fully supports the introduction of a robust framework to bring clarity to the technical evaluation of meter errors and evaluation of robust Corrected Readings. In addition, the opportunity to engage with the wider community from the initial identification of an error all the way to presentation of Corrected Readings will deliver an incremental improvement in confidence surrounding the effective reconciliation of NTS to LDZ and LDZ to LDZ measurement errors.

Summary of Stance

The NTS SP supports the UNC Modification Proposal 0185A

Modification Proposal UNC0185

Provision of Supporting Analysis

The NTS SP believes that the modification of the UNC to provide governance to an agreed UNC Related Document detailing the processes to be followed in the event of a measurement error at an NTS to LDZ or LDZ to LDZ measurement installation will enable the introduction of greater clarity in the regime which will improve some of the Relevant Objectives. It is believed however that the Proposer of UNC 0185 has not given due weight to all of the information brought forward as part of the Review Group 131 and hence the proposal does not consider the interactions between the proposed UNC Related Document (the guidelines), and the Offtake Arrangements Document. It is therefore considered that the Modification Proposal UNC0185 does not better facilitate the timely technical evaluation of measurement issues as the Transporters will still be obligated by the existing contradictory terms within the OAD.

The NTS SP is concerned that the proposed UNC Related Document that is to be governed under The Principle Document should be the document that has been developed in consultation. The

Transporters engaged with the Users and the Joint Office of Gas Transporters to develop a robust proposal for a UNC related document. This was developed under appropriate control and notes that the version that the Proposer has attached to Modification Proposal 0185 has had significant amendments made which have not been open to consultation. The NTS SP is concerned that uncontrolled elements introduced by the Proposer directly contradict principles agreed within Review Group 131 and therefore fail to underpin the proposed regime. This is clearly demonstrated when the Proposer has introduced into the definition of the Independent Technical Expert the clause "who is not in the direct employment of either the Upstream or Downstream Transporter", whereas Review Group 131 and the proposed UNC Related Document require the Downstream Party to "establish the contract with the Independent Technical Expert," and further it states, "The Appointed Independent Technical Expert's Fees and expenses shall be payable by the Downstream Party".

The NTS SP believes that in view of the Proposers lack of consideration of essential Modifications within the OAD combined with the absence of a proposed UNC Related Document that has been consulted on, this proposal will not better facilitate the Relevant Objectives without the requirement for additional Modification Proposals and further industry consultation.

Alternate Modification Proposal UNC0185A

The NTS SP believes that the Proposer of Modification Proposal UNC0185A has considered the material brought forward within the Review Group 131 and has laid out a proposal that provides the governance to a robust framework in a UNC Related Document. The proposal ensures the efficient introduction of the UNC related document by enabling the necessary changes within OAD providing an end to end solution which ensure efficiency in the implementation of a regime that delivers incremental improvements to the efficient and timely technical evaluation of measurement issues at NTS to LDZ and LDZ to LDZ measurement installations.

The NTS SP believes that the version of the proposed UNC Related Document attached to Modification Proposal UNC0185A is the document developed in a controlled environment in consultation with the Users, Transporters and the Joint Office of Gas Transporters and fully supports their introduction.

Conclusion

Modification Proposal UNC0185 would require subsequent modifications to the OAD to enable the Transporters to comply with the proposed UNC related document and would require further consultation with the industry to agree the contents of the proposed UNC Related Document which does not support the efficient implementation of an improved regime. The NTS SP therefore is unable to support this proposal.

The Modification Proposal UNC0185A represents a single proposal that enables the inclusion of the UNC related document and ensures that the OAD is not in conflict. In addition the NTS SP believes the attached proposed UNC Related Document is suitable for immediate inclusion as it has been fully consulted on. The NTS SP therefore supports Modification Proposal UNC0185A as it enables incremental improvements to the efficient and timely technical evaluation of measurement issues at NTS to LDZ and LDZ to LDZ measurement installations.

Yours Sincerely

Richard Wilson NTS Shrinkage Manager