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Re: Modification Proposal 0185/185A: 'Meter Error Notification Process'.

Dear Julian,

Thank you for your invitation seeking representations with respect to the above Modification Proposal. National Grid Gas (Distribution), ("NGD") would like to offer support for Proposal 0185A only.

NGD actively participated in Review Group 0131 "LDZ RbD Reconciliation Notification Process" and agreed with its conclusions. NGD had always been of the opinion that the "guidelines", which were developed following the closure of the Review Group would have to form an integral part of any Proposal to allow the parties wishing to provide representations to the modification to have a full picture of the changes being proposed. NGD also stated on two occasions that the guidelines should be agreed before any such proposal was raised and that they should not change during the consultation phase. Other UNC Related Documents existed prior to their introduction into the governance of TPD V12 and were not developed as part of the proposal to allow their incorporation.

NGD remains of the view that the guidelines would more naturally fit within the OAD rather than as a UNC Related Document but understands the desire of Users to reference them as part of V12 to allow "light touch" governance.

NGD worked actively alongside other DNOs and National Grid Transmission to develop draft guidelines, which were then circulated and discussed at an extraordinary meeting of the Offtake Arrangement Workstream in December 2007. During the Review Group Meetings and development of the guidelines it was clear that certain aspects of the guidelines would conflict with current sections of the Offtake Arrangements Document (OAD) (which details inter-transporter activities but is an integral part of the UNC and subject to all the same requirements e.g. it can only be changed through the conventional modification process).

Having created the guidelines the next logical step would have been to detail the exact changes required to the OAD before presenting both the agreed guidelines and agreed OAD changes together with the modification proposal. In this context 'agreed' would mean documents that had been circulated to the industry for comments and all mark ups shown, in other words a degree of consensus would have been reached before their submission with a modification proposal. The guidelines attached to 0185A were going through the process of being circulated at the point that 0185 was raised. Whilst NGD does not have significant issues with some of the changes suggested, in the guidelines appended to EdF's proposal, it should be noted that the document appended to 0185A is the original document and EdF's version has both additions and omissions.

NGD believes that the formation and adoption of agreed guidelines would better facilitates SSC A11.1 (d) by serving to improve contractual transparency and thus reducing contractual risk. Moreover, proposal 0185A acknowledges that changes are required to the OAD and was raised to avoid the need for a two stage modification process. This is consistent with the better facilitation of SSC A11.1 (f). N.B. NGD would have preferred time for full consideration of the detailed changes required to the OAD and at the point of writing this representation is still investigating whether this option is possible and whether further development of the guidelines can be undertaken.

It may be helpful to identify some of the key aspects of the guidelines and their impact on OAD; they introduce a process for advance notification of all measurement errors associated with systematic biases at measurement equipment between the NTS and LDZs and between two LDZs; they introduce a decision point for the most appropriate process to be followed; they change the timescales for provision of corrected readings; they seek to bind all parties to the corrected readings provided by the independent technical expert within the "significant" measurement error report and consequently change the disputes section.

Due to the significance of some of these proposed changes NGD would welcome the opportunity to further develop either 0185A or 0185 but at this time supports proposal 0185A.

Please contact Alison Chamberlain on 01926 653994 (alison.chamberlain@uk.ngrid.com) should you require any further information with respect to the above.

Yours sincerely

Phil Lawton

Distribution Regulation Manager