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*calls will be recorded and may be monitored

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9th September 2008 Your Reference: 0199

Re: Modification Proposal 0199: Clarification around the application of the UNC Dispute Resolution Process

Dear John,

Thank you for your invitation seeking representations with respect to the above Modification Proposal. National Grid Gas Distribution (NGD) is unable to offer support on the basis that it does not believe that it better facilitates any of the GT Licence relevant objectives.

The Proposal has the intention of adding clarity by stating that the disputes process is not limited to queries arising from TPD Section S. UKD has expressed the view, within the Distribution Workstream, on several occasions that it cannot see that this adds any clarity. In fact the current clause A1.1.2(a) could not be clearer and arguably any amendment to it may detract from its clarity.

The Proposal only refers to historical questions raised in respect of the extent to which General Terms Section A can be applied, it does not include any evidence to substantiate the view that the disputes process is currently limited to Section S.

Furthermore, it is our interpretation that it is neither expressed nor implied within the UNC, that disputes are limited to Section S. Indeed, <u>General Terms</u>, Section A 1.1.2 defines a dispute as "<u>any</u> dispute or difference arising between the Parties under or in connection with Code ...". In addition, there are in fact numerous references to other Sections of the UNC which are specifically identified:

- General Terms Section C2.5(f):
- TPD Section I3.4.5: TPD Section I3.7.6:
- <u>TPD Section J3.5.10:</u>
- TPD Section M1.9.2: TPD Section M4.8.6:
- TPD Section V3.4.6
- OAD Section D6.1.3.

Therefore, we believe that the current process provides for and does not prevent any party from disputing the interpretation of the provision of a UNC term and in our view there is insufficient justification as to why the Proposal will better facilitate the objective in Standard Special Condition A11.1(f).

If you require any further information in respect of this representation please contact Alison Chamberlain on 01926 653994 or email alison.chamberlain@uk.ngrid.com.

Yours sincerely

Richard Court
Commercial Manager