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12 March 2008
Your Reference 0200

Re: Modification Proposal 0200 'Introduction of a Date Tolerance to Facilitate the Processing of Individual Meter Point Reconciliation at LDZ CSEPs'

Dear Julian,

Thank you for your invitation seeking representations with respect to the above UNC Modification Proposal. As the proposer, National Grid Distribution supports its implementation.

The timely reconciliation of Larger Supply Points (LSPs) located on Connected System Exit Points (CSEPs) ensures that costs are apportioned correctly, both in respect of the consumption at those LSPs and additionally those applied to Smaller Supply Points via the Reconciliation by Difference mechanism.

Distinct from the reconciliation of LSPs on DN Networks, the processing of a reconciliation on a CSEP requires the relevant iGT to provide the DNOs with a corrected volume in respect of an identified period (the iGT specifying the start and end dates). This enables xoserve (on behalf of DNOs) to compare that volume to the volume estimated to have been consumed. Such an estimate will have been registered against the Logical Meter Number (LMN) which is the User specific accounting point for the particular Larger Supply Meter Point.

Where there is a change to the Registered User at an LSP on a CSEP, there is the potential for a divergence between the transfer date established pursuant to the iGT UNC Supply Point Administration terms and the equivalent date established by the DNOs (in the form of closure of one LMN and the opening of a further LMN) for the purposes of transportation invoicing in respect of the DN. This may also be exacerbated by the iGT utilisation of a transfer reading which, pursuant to the iGT UNC, may be taken from between D-5 to D+5.

As a consequence, where the reconciliation period identified by the iGT falls outside the period for which the LMN is live, the reconciliation volume is rejected by xoserve. This has been identified by iGTs as one of the primary reasons why their submission of reconciliation volumes are low.

This proposal seeks to introduce provisions within Annex A of the CSEP Network Exit Agreement that enable the application of a date tolerance window by xoserve which will allow reconciliation volumes to be processed for periods that fall outside the period for which the relevant LMN was live. The size of the window proposed takes account of both the opening read window detailed within the iGT UNC and the longest potential delay in communication to DNOs of transfer activity due to the current iGT data submission frequency to xoserve (weekly).

We believe this is a prudent and practical change which seeks to stimulate the submission of a greater quantity of reconciliation volumes in respect of LSPs at CSEPs and therefore, as indicated within the proposal, we believe that this proposal facilitates the relevant objective of facilitating competition between relevant suppliers and relevant shippers. This is achieved as a consequence of the acceptance of an increased number of reconciliation volumes which ensures the correct apportionment of costs to Users relative to the consumption at Meter Points for which they are the Registered User.

We trust these comments are useful for compilation of the Final Modification Report.

Please contact Chris Warner on 01926 653541 (chris.warner@uk.ngrid.com) should you require any further information with respect to the above.

Yours sincerely

Phil Lawton
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