



Northern Gas Networks Limited

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John Bradley
Joint Office of Gas Transporters
31 Homer Road
Solihull
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4th February 2009

Dear John

Introduction of User Pays Governance arrangements into the UNC: Proposal 0213V;

Northern Gas Networks supports the introduction of this Modification proposal to the UNC.

This proposal has been worked on and refined by Shippers and Transporters in recent months to give effect to the governance changes required by the introduction of User Pays arrangements into the UNC.

This proposal references a User Pays Guidance Document which will be referenced in the UNC. It is this document which carries the detailed rules and processes underpinning the required new governance arrangements. Amendments (proposed by the Transporters) have to be ratified by majority vote at the UNC panel.

The visibility provided for in the proposal for all aspects of User Pays charging and costs, provides a level of certainty for all parties and that any proposal advanced and potentially implemented will have payment and recovery of costs very transparent.

NGN similarly supports the timescales referenced in the proposal by which Transporters are required to provide cost estimates (and explanations) for the implementation and running costs associated with proposals. The very nature of User pays requires this transparency so that Users have the earliest opportunity to vary or scale back proposals should the cost be viewed as prohibitive for example.

With regards to this proposal specifically facilitating the relevant licence objectives required for its implementation, NGN believes *Standard Special Condition A11.1 (f) so far as is consistent with sub paragraphs (a) to (e) the promotion of efficiency and administration in the implementation of the network code and/or the uniform network code* is satisfied by the creation of a clear governance route.

Please do not hesitate to contact me should you have any questions relating to this letter.

Yours sincerely

Robert Cameron-Higgs
Network Code Manager

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