

October 6th, 2010

Mr. Tim Davis
Joint Office of Gas Transporters
First Floor South
31 Homer Road
Solihull
West Midlands
B91 3LT

Response to Proposed UNC Modification 0328: "Proposal to amend Annex A of the CSEP NExA by replacing the current version of the AQ Table"

Dear Tim,

First Utility would like to provide comments on the above Proposed UNC Modification. Whilst we believe that the Aqs contained in the CSEP NExA table should be as accurate as possible, we would like to highlight the retrospective element contained within the Modification. Retrospection creates unnecessary risk and uncertainty and Independent Pipelines Limited (IPL) have indicated in their response that they would require at least 6 months following implementation for systems development and to allow the new values contained in the Modification to become effective in their quotation system. This time lag may increase the impact of retrospection still further.

In addition, IPL appear in their response to challenge the application of the methodology used by the proposer to the numbers in table and point out that the revised numbers will affect their (and presumably other iGTs') transportation charges. Given these questions and impacts and the often unpredictable effects which retrospective charging can produce, we would suggest that the development of the table should take place under the iGT UNC process with the involvement of all affected parties before the agreed numbers are then transposed into the UNC. It may also be more appropriate that any agreed changes to the CSEP NExA table resulting from this development should take place as part of the 2011 AQ review in order to avoid the retrospective element and allow all parties the opportunity to fully prepare for the implementation of any of these changes.

Please do not hesitate to contact me if you have any questions or would like any further information.

Regards,

Chris Hill

Regulation

01926 328760
07776 137403