

Bob Fletcher
Joint Office of Gas Transporters
31 Homer Road
Solihull
B91 3LT

30 March 2012

Dear Bob,

Re: UNC Modification Proposal 0338V - Remove the UNC requirement for a 'gas trader' User to hold a Gas Shipper Licence

Thank you for the opportunity to provide representation of the above noted Modification Proposal. Northern Gas Networks (NGN) does not support this Modification Proposal. Please find below NGN's comments in respect of the Modification Proposal.

NGN does not support this Modification proposal.

Summary of key reasons:

The Modification Proposal seeks to create a new class of user within the UNC, termed a 'Trade User', that would allow parties to accede to the UNC for the purposes of engaging in non-physical market transactions only. The admission process would be similar to that for Shipper Users but would not require the party to hold a Shipper licence.

While we appreciate that the Modification Proposal outlines steps to improve the issues surrounding parties being ensured access to the GB gas market, we ultimately oppose it as we disagree on principle with non-licence parties being licence to the code.

Additional or new issues:

N/A

Self Governance Statement:

Do you agree with the Modification Panel's decision that this should be a self-governance modification?

N/A

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Condition	Description	NGN View
A11.1(a)	Efficient and economic operation of the pipe-line system	
A11.1(b)	Efficient and economic operation of the combined	

	pipe-line systems	
A11.1(c)	Efficient discharge of the licensee's obligations	
A11.1(d)	Securing effective competition: i) Between shippers ii) Between suppliers iii) Between DN operators and shippers	We acknowledge that ensuring greater access to the gas market would secure more competition.
A11.1(e)	Provision of economic incentives for security of supply to domestic customers	
A11.1(f)	Promote efficiency in the implementation and administration of the UNC	We believe implementation of this Modification Proposal would hinder this Special Condition as non-licence parties would be licence to the code, which as the Draft Modification Report states would allow parties to raise modifications that have no direct impact on themselves but do impact the contractual relationship and obligations of other parties.

Impact and costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

NGN have concerns about the potential impact as outlined above.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

NGN agree with the assessment that this Modification Proposal could be implemented immediately following a direction to implement.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes

Any further information:

N/A

I hope these comments will be of assistance and please contact me should you require any further information in respect of this response.

Yours sincerely,



Alex Ross
Network Code Officer