

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

12 September 2011

Dear Bob,

Re: UNC Modification Proposal 0363 – Commercial Arrangements for NTS Commingling Facilities

Thank you for the opportunity to provide representation of the above noted Modification Proposal. Northern Gas Networks (NGN) would like to submit comments in respect of the Modification Proposal.

NGN offers comments only for this Modification.

Summary of key reasons:

NGN is cognisant of the drive to encourage new gas supply from more diverse sources and that the example of the coal bed methane connection request received by National Grid Transmission represents a new source of gas into the national supply. As this gas source and its connection configuration are new, it is not unreasonable to investigate if the current transportation arrangements are appropriate for this, and future similar inputs of gas which National Grid have done through the raising of this Modification Proposal.

It is important to be clear that this arrangement is specific to the Transmission system where there is both the facility for diversity and the system pressure available to carry the new input efficiently through the total system. The workgroup has developed a solution that it believed to strike the appropriate balance for this particular instance. There have, however, been some concerns about the scope of the defined connection facility and whether this is adequate to enable other connection facilities to utilise this process, while ensuring that the costs associated with each connection is borne by the relevant parties in an efficient and economic manner.

Additional or new issues:

None.

Relevant Objectives:

NGN considers that this Modification facilitates the relevant objectives as indicated by the proposer. Specifically, NGN considers:

Condition	Description	NGN view
A11.1(a)	Efficient & economic operation of the pipe-line system	None
A11.1(b)	Efficient & economic operation of the combined pipe-line systems	None
A11.1(c)	Efficient discharge of the licensee's obligations	NGN agrees that this enables National Grid Transmission to continue to use non-discriminatory, UNC transportation methods

		for all Users.
A11.1(d)	Securing effective competition: i) between shippers ii) between suppliers iii) between DN operators & shippers	NGN agrees that this may encourage competition and diversity in securing additional unconventional gas sources into the UK supply.
A11.1(e)	Provision of economic incentives for security of supply to domestic customers	None
A11.1(f)	Promote efficiently in implementation & administration of the UNC	None

Impacts and costs:

NGN relies on National Grid Transmission's assessment that this Modification will not cause them to incur any significant additional costs by primarily utilising existing processes.

Implementation:

NGN considers that the implementation dates contained within the Modification Proposal are realistic and appropriate.

Legal text:

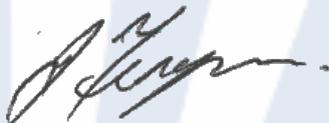
NGN agrees that the legal text provided reflects the intent and content of the Modification Proposal.

Any further information:

None.

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,



Joanna Ferguson
Network Code Manager