

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

3 February 2012

Dear Bob,

Re: UNC Modification Proposal 0369/A

Thank you for the opportunity to provide representation of the above noted Modification Proposals. Northern Gas Networks (NGN) supports these Modification Proposals with a preference for Proposal 0369. Please find below NGNs comments in respect of the Modification Proposals.

NGN supports these Modification proposals.

Summary of Modification:

These modifications will re-establish a Supply Meter Point where gas is capable of being consumed at a site that has previously been subject to an Effective Supply Point Withdrawal but the original Supply Meter either remained connected or has been re-connected. The previous Registered User for the site and meter will become the current Registered User and the appropriate charges will apply.

The alternate Modification Proposal provides an exception for Consumer, as the proposer notes that the shipper is not able to easily be remove this from site following disconnection.

NGN Stance:

NGN are supportive of both modification proposals while having a preference for Modification Proposal 0369.

By establishing responsibility for sites capable of offtaking gas through the original meter after the withdrawal process, Users will be able to recover costs through supplier arrangements and Transportation and supply costs will be appropriately targeted.

The costs for Shipperless sites are currently socialised across the User community via the Reconciliation by Difference (RbD) process regardless of where the responsibility for ownership lies and implementation of either of these Modification Proposals will reduce the number of these sites, which have been highlighted as an industry concern and been subject to ongoing investigations to reduce their number.

While we disagree with the exception for Consumer owned meters in the alternate Modification Proposal, the number of these is so small that we do not believe it will make a practical difference in the day to day operation of the proposals contained in the Modification Proposal.

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	N/A
A11.1(b)	Efficient and economic operation of the combined pipe-line systems	N/A
A11.1(c)	Efficient discharge of the licensee's obligations	N/A
A11.1(d)	Securing effective competition: i) Between shippers ii) Between suppliers iii) Between DN operators and shippers	The implementation of either Modification Proposal will lead to more accurate cost targeting and reduce the likelihood of shipperless sites, therefore facilitating competition in the gas market.
A11.1(e)	Provision of economic incentives for security of supply to domestic customers	N/A
A11.1(f)	Promote efficiency in the implementation and administration of the UNC	By reducing the number of shipperless sites the Modification Proposals will promote efficiency in the implementation and administration of the UNC.

Self Governance:

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

N/A

Implementation:

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

NGN support the Modification Proposals being implemented as soon as reasonably possible following the appropriate direction from the Authority.

Legal Text:

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

Yes.

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