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04<sup>th</sup> January 2012  
Your Reference:UNC Modification Proposal 0378

**Re: UNC Modification Proposal 0378:**  
**Greater Transparency over AQ Appeal Performance.**

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposal which National Grid Gas Distribution (NGD) gives qualified support to.

**Do you support or oppose implementation?**

~~Support/Qualified Support/Neutral/Not in Support/Comments\*~~ *delete as appropriate*

**Please summarise (in one paragraph) the key reason(s) for your support/opposition.**

NGD agrees that this Modification Proposal would give an element of further transparency in the Annual Quantity review process with respect to AQ appeals and in principle are in favour of such. That said the proposer states that “it is not possible to establish from the data in the MOD81 report whether any particular Shippers actions have or have not been compliant with the provision under Code”. We are uncertain whether provision of the additional requested data would rectify that situation.

**Are there any new or additional issues that you believe should be recorded in the Modification Report**

If UNC Modification Proposal 0387<sup>1</sup> were to be implemented prior to this Modification Proposal then the legal text that has been provided would require amendment.

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<sup>1</sup> <http://www.gasgovernance.co.uk/sites/default/files/Draft%20Modification%20Report%200387%20v1.pdf>

## **Relevant Objectives:**

*How would implementation of this modification impact the relevant objectives?*

d) Securing of effective competition:

(i) between relevant shippers;

(ii) between relevant suppliers; and/or

(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

We acknowledge the opinion of the Proposer that if availability of the new reports dissuaded misuse of the AQ appeal process then this could facilitate effective competition. However NGD does not believe the proposer has provided compelling evidence or fully demonstrated how the additional reports could prevent this occurring.

f) Promotion of efficiency in the implementation and administration of the Code:

Although we acknowledge that this Modification Proposal would provide greater transparency regarding shippers' use of the AQ appeals process, NGD would challenge whether the new report suite would provide sufficient evidence of non-compliance or misuse of the existing code obligations.

## **Impacts and Costs:**

Some non material on-going annual costs for production, validation and issue of the reports are likely to be incurred by Transporters as a consequence of implementing this Modification Proposal.

## **Implementation:**

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

The Transporters agent has estimated that a lead time of 22 – 37 weeks would be required prior to delivery of the first reports required under this Modification Proposal. In consideration of this, it may not be possible to implement the Modification Proposal until 2013. The first report would then be available on 1<sup>st</sup> July in accordance with TPD Section G1.6.20 (a)

## **Legal Text:**

NGD has provided legal text with respect to this Modification Proposal. We have received approval for this from the Proposer and are satisfied that this meets the requirements of the Modification Proposal.

## **Is there anything further you wish to be taken into account?**

We have not identified any further issues.

We trust that this information will assist in the compilation of the Final Modification Report.

Please contact me on 01926 65 5299 (andy.clasper@uk.ngrid.com) should you require any further information

Yours sincerely,

Andy Clasper  
Network Code, Distribution