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Your Reference:UNC Modification Proposal 0392

Re: UNC Modification Proposal 0392:
Proposal to amend Annex A of the CSEP NExA table, by replacing the current version of the
AQ table

Dear Bob,

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

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.

The purpose of the Annual Quantity (AQ) table located within Annex A Part 8 of the LDZ CSEP NExA is to provide a reasonable assessment of the AQ for new CSEP Supply Points where there is insufficient consumption data to derive an AQ from consumption history.

NGD notes that Modification 0075 'Proposal to amend Annex A Part 8 of the Connected System Exit Point (CSEP) Network Exit Agreement (NExA) by replacing the current version of the AQ Table with a revised Table to account for movements in AQ values as a result of the AQ Review 2004/05' was implemented in July 2006. We understand this was the most recent occasion upon which the NExA table was updated. Consequently we have some sympathy with the proposer that more accurate and up to date information is required given the period of time which has elapsed.

We note that Review Group IGT030 which met within the remit of the iGT UNC has addressed the issue of AQ accuracy and identified a methodology for recalculation of the relevant data. We also understand there is general consensus between iGTs and Shippers on the revised AQ values and that these represent a reasonable estimate of the anticipated gas offtake in accordance with house type and geographical location for domestic properties connected to the iGT network. Finally we are aware that a 'complementary' iGT UNC Modification Proposal (iGT040) has been raised seeking to introduce the revised values to the iGT UNC.

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

We have not identified any such issues.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We agree with the proposer that implementation of this Modification Proposal would better facilitate the achievement of relevant objective 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.

Impacts and Costs:

The costs of implementing this Modification Proposal would be expected to be insignificant.

Implementation:

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

Notwithstanding any iGT – Shipper issues of implementation timing, Transporters have sought a view from their agent Xoserve as to when this Modification Proposal could be implemented.

Legal Text:

NGD notes that the October 2011 meeting of the UNC Modification Panel determined that legal text is not required. We assume that this is due to the purpose of the Proposal which is to amend Annex A of the LDZ CSEP NExA.

However, the Modification Proposal refers on 4 occasions to proposed changes to the AQ table in TPD Annex G3 of the UNC. We understand it was not the Proposers intention to seek to amend Annex G3 but multiple references in the Modification Proposal remain. NGD has brought this to the attention of Modification Panel Members and intends to raise the matter for discussion at the next appropriate meeting.

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

No.

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

Please contact me on 01926 653541 (chris.warner@uk.ngrid.com) should you require any further information.

Yours sincerely,

Chris Warner
Network Code Manager, Distribution