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Your Reference: UNC Modification Proposal 0400S.

UNC Modification Proposal
0400S: Removal of obligation to install duplicate Telemetry Equipment

Dear Bob,

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

Do you support or oppose implementation?

Support.

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

At most of the National Grid Transmission (NTS) to Distribution Network Offtakes the Distribution Network Owner owns the telemetry equipment and passes information to NTS as required. Currently the UNC obligates NTS to install its own duplicate Telemetry Facilities, at an NTS to DNO Offtake, when the existing DNO equipment reaches the end of its service life. Duplicating facilities at these Offtakes as a matter of course, does not make logical or financial sense and the removal of this mandatory requirement was a recommendation of the Enduring Distribution Network Arrangements project team. NGD supports the Proposal on this basis. We note that there may be occasions in the future where the information provided by the DN does not match the requirements of NTS and in those instances NTS may be required to fit their own equipment.

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

No.

Self Governance Statement:

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

Yes.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Standard Special Condition A11.1 (b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.

NTS believes that there will be some reduction in costs resulting from the removal of the mandatory obligation to duplicate telemetry requirements at these Offtakes. This would be inline with the efficient operation of their pipe-line system. To duplicate telemetry requirements at every Offtake as a matter of course, rather than on a "needs" basis, would appear to be at odds with this Relevant Objective.

Impacts and Costs:

NTS quotes a CAPEX cost saving of £9M which will be a cost avoided should this Modification Proposal be implemented. NTS may incur some costs in the future, at some offtakes, where the Distribution Network is unable to satisfy their telemetry requirements. In the words of the Proposal NTS only intends to do this "where they have identified that it is operationally necessary and efficient to do so".

Implementation:

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

We have nothing to add to the information identified within the Draft Modification Report.

Legal Text:

NGD is satisfied that the text (which only requires the replacement of "shall" with "may"), as published by the Joint Office within the Draft Modification Report meets the requirements of the Modification Proposal.

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 653994 (alison.chamberlain@uk.ngrid.com) should you require any further information.

Yours sincerely,

Alison Chamberlain
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