

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

5 September 2013

Dear Bob,

Re: UNC Modification Proposal 0407 - Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users

Thank you for the opportunity to provide representation of the above noted Modification Proposal. Northern Gas Networks (NGN) supports this Modification Proposal. Please find below NGN's comments in respect of the Modification Proposal.

NGN supports this Modification proposal.

Summary of key reasons:

NGN supports the implementation of this proposal. We have experienced similar issues to that of the proposer and note that it is not always possible to buffer for an increase in gas offtake for two hours before being able to increase or decrease our intake. This is due to the dynamics of the system and the time of day the deviation may take place.

We believe the 2 hour 5% rule is not rigorously applied by National Grid NTS even on very high demand days and as a result believe that it only offers a small benefit to National Grid NTS and is not required for the most part in any given Gas Year.

NGN acknowledge the analysis commissioned by National Grid NTS on the associated costs for implementing the proposal as it was originally put forward and agree that the prohibitive nature of these indicative costs meant that a compromise was require to facilitate occasions where permanent removal of the rule would have been detrimental. We therefore support the amended proposal as a sensible compromise between removal of the rule and its permanent application.

Additional or new issues:

NA

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	This proposal will better allow GDNs to meet their obligations in relation to Standard Special Condition A9 .
A11.1(d)	Securing effective competition: i) Between shippers ii) Between suppliers iii) Between DN operators and shippers	N/A
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	This proposal will aid GDNs in complying fully with the UNC.

Impact and costs:

NGN will need to amend some processes and agreements if this proposal is implemented but we do not consider this to be of significant, being offset by the benefits that the proposal will bring.

Implementation:

We are happy with the dates put forward in the Workgroup Report.

Legal Text:

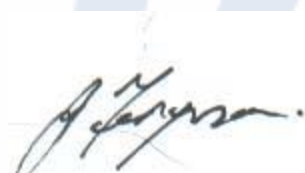
Yes

Any further information:

N/A

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