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Your Reference: UNC Modification Proposal 0417s.

Re: UNC Modification Proposal 0417S

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 the key reason(s) for your support.

National Grid Gas Distribution agrees with the principle that once the User Commitment has been covered financially by that User then it should be deemed to have been satisfied and the capacity can thus be freed up for use by another party. This will help to provide better financial certainty and therefore reduce risks for Users.

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?

NGD agrees that this proposal promotes the following Relevant Objectives:

- Achievement of relevant objective (a) "Efficient and economic operation of the pipeline system".

Releasing capacity for use by other parties at the location or nearby is consistent with promotion of this objective.

- Achievement of relevant objective (c) "Efficient discharge of the licensee's obligations"
Improved signalling potentially allows NTS to more efficiently discharge its Licence obligation. It is possible that the apparent cost savings may surface elsewhere in the charging regime.
- Achievement of relevant objective (d) "Securing of effective competition"
The improved cost certainty offered by implementation of this Proposal could potentially remove a barrier to entry and improve competition. Freeing up capacity for use by other parties may improve competition between users.

Standard Special Condition A11.1 (c) Efficient discharge of the licencees's obligations.

Impacts and Costs:

It is not anticipated that this will cause any significant costs associated with implementation or have any negative impacts. It is clear that it could potentially decrease a shipper's costs over any given period and consequently alter their risk profile.

Implementation:

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

Implementation would be anticipated in-line with Self Governance procedures.

Legal Text:

NGD is satisfied that the text 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@nationalgrid.com) should you require any further information.

Yours sincerely,

Alison Chamberlain
National Grid Gas, Distribution