

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

15 April 2013

Dear Bob,

Re: UNC Modification Proposal 0425 - Re-establishment of Supply Meter Points – Shipperless sites

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

NGN offers qualified support for this Modification proposal.

Summary of key reasons:

NGN supports this proposal in principle, agreeing with the intention of the proposer to place responsibility for a site subject to an Effective Supply Point Withdrawal or Isolation that is now offtaking gas from a different meter on to the last registered shipper.

We believe this should drive shipper behaviour to reduce the number of new shipperless sites arising which are capable of offtaking gas and builds on the principles embedded with the implementation of Modification Proposal 0424, which deals with shipperless sites offtaking gas from the previously connected meter.

We are, however concerned that the timescales involved in concluding this process could be significant during which time the circumstances of the supply point could change in such a way as would invalidate the original intended action. We also have some concerns about the data items required by the proposal which allow us to only offer qualified support at this time.

Additional or new issues:

Xoserve has highlighted an additional number of data items that will be required to be collected by Transporter staff during a site visit in order for to meet the aspiration of the business rules and legal text. Not all of the data items suggested in the legal text are essential for the auto-registration of sites to take place and these need to be considered during any implementation planning. We have concerns about the availability of some of these items and therefore our support is qualified subject to these data items being possible to obtain.

Self Governance Statement:

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

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

| Condition | Description | NGN View |
|-----------|---|----------|
| A11.1(a) | Efficient and economic operation of the pipe-line | N/A |

| | | |
|----------|---|--|
| | system | |
| 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 | N/A |
| A11.1(d) | Securing effective competition: i) Between shippers ii) Between suppliers iii) Between DN operators and shippers | By reducing the number of new shipperless sites being created this proposal will help secure effective competition by targeting costs appropriately. |
| 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 | N/A |

Impact and costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

NGN will need to ensure that operatives are fully briefed in obtaining additional data from site visits and ensure that new processes are implemented to facilitate the effective transfer of appropriate data. In addition to this Xoserve will need to implement new processes.

Implementation:

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

NGN agrees with the implementation timescales noted in the proposal

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

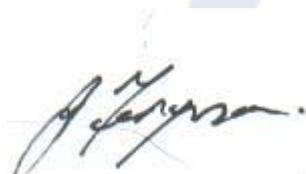
Yes

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