

Bob Fletcher
Joint Office of Gas Transporters
31 Homer Road
Solihull
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9 December 2015

Dear Bob,

Re: UNC Modification Proposal 0522 (formerly 0479A) - Inclusion of email as a valid UNC Communication

Thank you for the opportunity to provide representation on the above noted Modification Proposal. Northern Gas Networks (NGN) does not support this Modification Proposal. Please find below NGN's comments in respect of the Modification Proposal.

NGN does not support this Modification proposal.

Summary of key reasons:

Modification Proposal 0522 introduces an 'Authorised User's Email Representative' to act as an escalation point in instances where an email communication has failed to send as well as a number of obligations to amend the governance process around email communication within the UNC.

NGN believes that while the role of an Authorised User's Email Representative has merit it would have been better served as an escalation point for all failed code communications, which would allow a similar function to exist for post, telephone, fax and system communications. Nonetheless this element of the proposal would represent a step forward for improved governance around code communications and build on the work of Modification 0479S, which was raised by NGN and introduced email as an allowable communication in the code.

Despite this, NGN have concerns around the other governance obligations this proposal seeks to introduce. The last minute introduction of a Business Rule to obligate a 'confirmation email' exchange before a nominated email can be used as a valid communication is bureaucratic and will deliver little by way of improved efficiency. It is important to remember that email has been used as a code communication unofficially for a number of years without incident, so additional governance rules over and above those introduced via Modification 0479S need a stronger justification to exist than those provided for in this Modification Proposal.

We believe the obligation on the sender to act upon a non-delivery notification within one hour is unenforceable and in practice will not be followed. There is no way an intended recipient can know a non-deliverable receipt has been sent to the sender and given the communication is invalid and therefore remains 'unsent', there is no need for this obligation. If the sender is required to send the communication under a separate obligation then this will still exist in the event of a failed email.

This will act as the driver for the sender re-attempting the communication and therefore an additional obligation is unnecessary and it has not been justified as to why it is needed.

The obligation to provide a month's notice of any change of email address will potentially limit the ability of parties to use email in circumstances where a new email is needed due to an existing registered email being found to be no longer in use. The addition of allowing an alternative notice period if agreed between both parties undermines the principle of the UNC, which seeks to create the same rules for all parties. Allowing opt-outs of specific elements of this through what are essentially bilateral agreements undermines this.

It is also worth noting that the additional rules move the UNC away from the principal that underpinned Modification 0479S to mirror wherever possible the email governance rules in the electricity Balancing and Settlement Code (BSC). The rules that exist in the BSC have been in place for over ten years. It is not clear why the additional rules are needed and no examples of serious issues over email communications since the implementation of Modification 0479S have been provided by any party, as none were during the development of Modification 0479S covering the many years email has been in use unofficially.

Additional or new issues:

No.

Self Governance Statement:

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

Given the changes made to this proposal since it was raised we believe it now qualifies as a self-governance Modification Proposal.

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 system	
A11.1(b)	Efficient and economic operation of the combined pipe-line systems	
A11.1(c)	Efficient discharge of the licensee's obligations	
A11.1(d)	Securing effective competition: i) Between shippers ii) Between suppliers iii) Between DN operators and shippers	

A11.1(e)	Provision of economic incentives for security of supply to domestic customers	
A11.1(f)	Promote efficiency in the implementation and administration of the UNC	We believe implementation of this proposal would have a negative impact on this Relevant Objective. The additional administrative burdens around some of the new obligations would outweigh the improvements made through the Registered User's Authorised Representative.

Impact and costs:

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

Should the proposal be implemented we would have an ongoing impact whenever a new Code Communication was put forward, or whenever a new email address was provided for use, due to the 'confirmation test' outlined in the Solution. This would create an administrative burden due to the need for an administrative audit trail and an extra step in the process before the email address could be used for communications.

Implementation:

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

Implementation could take place as per standard self-governance rules if relevant or immediately upon direction by Ofgem.

Legal Text:

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

Yes.

Any further information:

No.

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,



Alex Ross-Shaw
Network Code Officer