

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

12 June 2015

Dear Bob,

Re: UNC Modification Proposal 0535 - Implementation of Non Effective Days to enable Annual AQ Review (independent of Nexus transition)

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:

The move towards Faster Switching, with the resultant reduction in the confirmation period, has created potential issues with the Annual AQ Review that takes place in September and its ability to process large quantities of data accurately. Introducing two Non Effective days on 29 and 30 September will enable this data to be processed effectively and maintain its integrity, which is vital for industry processes.

Additional or new issues:

The Modification Proposal requires transitional text for Confirmations with an effective date of 1 October 2015. This coincided with the original implementation date of Project Nexus, which has now been delayed. However, the Draft Modification Report makes clear it is not contingent upon the implementation of Project Nexus and can proceed as outlined.

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?

| 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 | Prevention incorrect apportionment of Non-Daily Metered energy between Shippers will ensure effective competition. |
| 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 | By ensuring the AQ Review can be successfully held it will promote efficiency in the implementation and administration of the UNC. |

Impact and costs:

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

None.

Implementation:

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

The Modification Proposal could be implemented as soon as possible. The Draft Modification Report outlines a preferred date of 2 July 2015, but this will not be possible due to the time required for Ofgem to make a determination after a June Modification Panel recommendation.

Although transitional legal text for Confirmations is required by the proposal for 1 October 2015, as the Draft Modification Report makes clear this coincides with the original Project Nexus Implementation Date but is not dependent upon it. Therefore it can still go ahead regardless of any delay to the implementation of Project Nexus.

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,



Alex Ross-Shaw
Network Code Officer