

Promoting choice and value for all customers

The Joint Office, relevant Gas Transporters and other interested parties Our Ref: Net/Cod/Mod/UNC123 Email: industrycodes@ofgem.gov.uk

7 November 2006

Dear Colleague,

Request for urgent status for UNC modification proposal UNC123: 'Provision of Demand Information to meet the 14:00 Total System Demand Forecast'

Following consideration of the request that UNC modification proposal 123 (UNC123) follows urgent modification procedures, we have today agreed to that request.

On 30 October 2006 the Authority directed the implementation of UNC modification 100 (UNC100), which seeks to revise the submission times for the initial Offtake Profile Notices and Storage Flow Notices to National Grid - National Transmission System. The reasons for this decision are set out in a letter available on the Ofgem website¹.

Further to this decision, the Joint Office of Gas Transporters issued a Notice of Implementation for UNC100, stating that it would be implemented with effect from 06:00 hours on 6 November 2006. On 3 November 2006, we received a request from the Gas Transporters that this be delayed. We subsequently agreed to the amendment of the implementation date to 06:00 on 4 December 2006, in accordance with paragraph 9.9.2 of the UNC Modification Rules.

UNC123 seeks to deliver the intent of UNC100, but in what the proposer considers to be a more efficient and economic manner. It is disappointing that this proposal has been raised only following the direction to implement UNC100. We note for instance, that an alternative to UNC100 could have been raised under the UNC modification rules². However, in reaching our decision on granting urgent status we have considered the details of the modification proposal and the proposer's justification for urgency. We consider that this proposal satisfies the criteria for granting urgent status to a modification proposal, as set out in its published guidelines.³ In particular we consider that the proposal is linked to both:

 A specific date related event; being the revised implementation date for UNC100; and.

¹ UNC Modification 100: 'Amendment to OPN/SFN submission times'

² UNC Modification Rules paragraph 6.4

³ www.ofgem.gov.uk/temp/ofgem/cache/cmsattach/11700 Urgency Criteria.pdf

• A real likelihood of significant commercial impact upon GTs, shippers or consumers if the proposal is not granted urgency.

Urgency Timetable

The granting of urgent status and adherence to the timetable set out below would ensure that the proposal can be decided upon and if appropriate, implemented at the earliest opportunity:

Ofgem grant urgent status	07/11/06
Proposal issued for consultation	07/11/06
Close out for representations	10/11/06
Final Modification Report to UNC Modification Panel	14/11/06
UNC Modification Panel recommendation	16/11/06
Authority decision expected week commencing	27/11/06
Implementation date (subject to Authority decision)	04/12/06

Whilst noting that this timetable allows only two days for the UNC Modification Panel to consider the Final Modification Report and provide its recommendation, given the urgency of this proposal we hope this can be achieved.

In accepting this request for urgency, we have made no assessment of the merits of UNC123 and nothing in this letter fetters the discretion of the Authority in respect of this or any other modification proposal.

If you have any queries in relation to the issues raised in this letter, please feel free to email industrycodes@ofgem.gov.uk

Yours sincerely

Nick Simpson,

Director, Industry Codes and Licensing