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Direct Dial: 020 7901 7412

Email: sonia.brown@ofgem.gov.uk

cc: all interested parties

8 November 2006

Dear Colleague,

## Revised date of implementation UNC modification proposal 0100 and next steps

Further to our decision on 30 October 2006, the Joint Office of Gas Transporters issued a Notice of Implementation for UNC modification proposal 0100. That notice stated that proposal 0100 would be implemented with effect from 06:00 hours on 6 November 2006. On 3 November 2006, Ofgem received a request from the gas Transporters that the implementation date for UNC modification proposal 0100 be delayed from 06:00 hours on 6 November 2006. The Gas Transporters stated in their request that the gas Distribution Networks (DNs) would be unable to alter their processes before the original implementation date, and therefore requested a delay of at least four weeks. This delay was requested in order to "clarify the issues surrounding the implementation of Modification 100 and explore alternative routes to achieve UNC compliance".

Ofgem agreed to the amendment of the implementation date for UNC modification proposal 0100 to 06:00 on 4 December 2006, in accordance with paragraph 9.9.2 of the UNC Modification Rules. In agreeing to this amendment, Ofgem was aware (as noted in its decision) from the limited information which had been provided in this regard during the modification process, that a certain (albeit relatively limited) period of time would be necessary for amending relevant processes.

In light of the reasons presented by the gas Transporters for the need for this delay, I am writing to you to ask for your views on how long it could be expected to take for UNC modification proposal 0100 to be implemented. In particular, we would welcome responses that:

- outline, with full supporting reasons, whether or not the implementation of modification proposal UNC 0100 by 4 December 2006 is viable; and
- provide detailed and quantified arguments in support of any extension beyond 4
  December 2006 which may be proposed.

Given the proximity of the amended implementation date, we would appreciate responses to this open letter within seven days. Responses should therefore be sent to <a href="mailto:wholesale.markets@ofgem.gov.uk">wholesale.markets@ofgem.gov.uk</a> by close of business on 15 November 2006.

We also note that UNC modification proposal 0123 "Provision of Demand Information to Meet the 14:00 Total System Demand Forecast" has been raised by National Grid Gas plc – Distribution and was granted urgency by Ofgem on 7 November 2006. This proposal has been raised specifically to address the perceived implementation problems that the DNs have with UNC modification proposal 0100. However, as Urgent UNC modification

proposal 0123 may or may not be accepted following due consideration, we would urge respondents to submit full and detailed responses to this open letter.

Many thanks in advance for your cooperation. Should you wish to discuss the content of this letter further, please do not hesitate to contact me on the above number.

Yours sincerely,

Sonia Brown

**Director, Wholesale Markets**