

UNC Response File (Licence)						Business Owner	
Index No.	Document	Section	Section #	Para	Response/Issue	NGT response	Proposed changes to Licence
G001	Licence	A11			Gemserv supports the introduction of the additional relevant objectives in paragraph 1 and in respect of 1(f) proposes that an economic test should be included alongside that of efficiency for implementation and administration of the network code/UNC.	While this is primarily an issue for Ofgem, we believe that the changes proposed are all that are required for network sales, and that the existing objectives have proved effective to date.	n/a
G002	Licence	A11			Paragraph 2 clarifies that the relevant objectives set out in paragraph 1 do not apply to a proposal to modify the modification procedures. Rather, such a proposal is to be tested against paragraphs 9 and 12. Gemserv believes this to be a restrictive and inadequate provision for judging the desirability of proposed changes to the modification procedures. Paragraph 9 can only provide a starting point. It sets out basic requirements that the modification procedures must satisfy but it doesn't provide guidance on how the procedures might better develop over time. There are in existence far better potential objectives for changes to the modification procedures. The Principles of Good Governance published by Ofgem in "Gas Retail Governance – Further Consultation June 2003" are an excellent example. If, for some reason Ofgem feels it inappropriate to include this within the licence then the incorporation of paragraphs 1(c) and 1(f) as relevant objectives for such proposals would give scope to introduce concepts such as effectiveness, efficiency, transparency, inclusivity, accountability and consistency which are absent from paragraphs 9 and 12. It is unclear why t	While this is primarily an issue for Ofgem, we believe that the changes proposed are all that are required for network sales, and the proposed objectives will prove workable. The ability to raise alternative proposals is a principle which NGT support, but the way in which this is implemented in the UNC, while mirroring that in the existing Network Code, may be capable of improvement. This is best pursued through the Code, not Licence, modification process in due course and not as part of network sales.	n/a
G003	Licence	A11			Gemserv notes that paragraph 15(a)(iv) does not require that any recommendation regarding implementation of a proposal be made, or that where one is made that it should be made by any particular person or body. Such questions are left to the requirements of the modification procedures.	Irrespective of the Licence obligations, the present Network Code requires a recommendation, and we have to propose an alternative to the Transco recommendation as part of the network sales process.	n/a
G004	Licence	A12			Gemserv believes that this Condition should be entitled "Joint Governance Arrangements" as it does not require a Joint Office to be created.	We agree but do not believe this to be material.	n/a
G005	Licence	A12			In paragraph 1(a) transporters are required to "establish, operate and develop" joint governance arrangements. Gemserv believes this wording may be restrictive and proposes that it may be more efficient and economical if transporters were required to "establish, develop and operate (or procure the operation of)" the arrangements	We do not believe that "operate" restricts the ability to contract out some operations as opposed to the obligation.	n/a
G006	Licence	A12			Paragraph 2(c) requires the joint governance arrangements to be such that they "avoid undue discrimination or preference as between the relevant gas transporters." Gemserv proposes that this concept should be extended to shippers by wording to the effect that they "avoid undue discrimination or preference as between the relevant gas transporters and as between the relevant gas transporters and relevant gas shippers	We believe this misses the intention of the condition which specifically relates to the transporters doing things jointly without discriminating against any one transporter. Other obligations deal with wider discrimination issues.	n/a