



Indra Thillainathan,
Senior Analyst,
Gas Distribution Policy
Office of Gas & Electricity Markets
9 Millbank
London
SW1P 3GE

Wales & West House Tŷ Wales & West
Spooner Close Spooner Close
Celtic Springs Celtic Springs
Coedkernew Coedcernyw
Newport NP10 8FZ Casnewydd NP10 8FZ

T. 029 2027 8500
F. 0870 1450076
www.wwutilities.co.uk

22nd August 2006

Dear Indra

New entry arrangements for connecting to the gas distribution network

I am writing in response to the above consultation document published 7th July. WWU agrees that the contractual approach to new entry arrangements is the appropriate approach. This approach should apply regardless of the size of the entry point as any specific, size related requirements would be built into the bilateral contract and the determination process.

Question 1: Is a modification of the GDN's GTs' licence the best way for Ofgem to implement a contractual approach for new commercial and regulatory arrangements for GDN entry points?

The key areas mentioned in the consultation document appear to be appropriate for inclusion in the licence. If the licence requirements were to be more detailed this could impede the GDN's ability to negotiate an appropriate bilateral agreement.

Question 2: What are the views of interested parties about the key issues relevant to GDN entry arrangements?

WWU agrees that investment required for GDN entry should be treated in the same way as any other customer driven system reinforcement whether this is through a capital contribution or a form of Advanced Reservation of Capacity Agreement.

Question 3: Are there any further key issues not discussed in this chapter that should be considered?

Commercial terms and condition should be in a generic form accepting that each entry point will have specific terms. WWU would propose that the GDNs to work together to



develop the generic agreement. This could include elements of the Network Entry and Storage Connection Agreements.

WWU agrees that there should be GDN charges relating to entry however we question the requirement for all GDNs to publish charging arrangements for entry points within the Transportation Charging Methodology when there are no entry points connected to the GDN. At present it might be appropriate to include a reference to requirement for entry charges.

If you require any further information please contact me on 029 2027 8539 (sarah.williams@wwutilities.co.uk) or Liz Spierling, Commercial Manager-Transportation on 029 2027 8549 (liz.spierling@wwutilities.co.uk).

Yours sincerely

S. Williams

Sarah Williams
Regulation Support Manager
Tel: 029 2027 8539
Email: sarah.williams@wwutilities.co.uk

24 hour gas escape number
Rhif 24 awr os bydd nwy yn gollwng

0800 111 999*

*calls will be recorded and may be monitored
caiff galwadau eu recordio a gellir eu monitro

Wales & West Utilities Limited
Registered Office:
Wales & West House, Spooner Close, Coedkernew, Newport NP10 8FZ
Registered in England and Wales: No. 5046791