



Abid Sheikh
Office of Gas & Electricity Markets
9 Millbank
London
SW1P 3GE

Wales & West House
Spoooner Close
Celtic Springs
Coedkernew
Newport NP10 8FZ
T. 029 2027 8500
F. 0870 1450076
www.wwutilities.co.uk

Tŷ Wales & West
Spoooner Close
Celtic Springs
Coedcernyw
Casnewydd NP10 8FZ

27th September 2010

Open letter consultation: Potential Significant Code Reviews (SCRs)

Dear Abid,

Thank you for the opportunity to comment on the Ofgem open letter on potential Significant Code Reviews. As a licensed Gas Distribution Network (GDN), Wales & West Utilities (WWU) have obligations under Standard Special Condition A11 of our licence to provide Uniform Network Code (UNC) modification procedures that facilitate the Significant Code Review process. UNC Modification Proposal 0324 is currently out for consultation and we hope that implementation will be achieved by 31st December 2010.

WWU are supportive of the SCR process as we believe it will ensure that issues that present a significant impact on the industry can be dealt with in a coordinated and transparent manner. As a licensed GDN, we have limited our comments to those potential SCRs that may impact upon us.

Gas security of supply

Whilst we are not directly involved with emergency cash-out arrangements, we believe that industry parties have raised sufficient concerns that warrant the need for a SCR to be carried out. Changes to the role of the network emergency coordinator (NEC) and compensation payments for gas curtailment at Firm sites could have significant impacts on GDN's own role within a Gas Deficit Emergency or Local Gas Supply Emergency and we would welcome further discussion on this prior to a SCR commencing.

Smart metering impact on wider industry processes

The role out of smart metering will undoubtedly have impacts on GDNs and the centralised transporter agency although the scale of these impacts will be determined by the scope of the Data Communications Company (DCC). The Smart Metering Implementation Programme (SMIP) will not concern itself with the changes that are required to the UNC for successful implementation of the DCC in late 2013 and will not address any potential benefits that the increased availability of meter reads may offer to UNC processes (e.g. settlement, energy allocation). We therefore believe it is imperative that an SCR is carried

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, Spoooner Close, Coedkernew, Newport NP10 8FZ
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out to address these matters once the scope, and future scope, of the DCC has been determined. An SCR should ensure that any proposed changes to the current UNC regime should have demonstrable benefits and not be 'change for changes sake'.

We also believe that an SCR in relation to smart metering would be an opportunity to determine an agreed scope of the UK Link replacement project that is currently subject to industry discussion under the banner of Project Nexus. There are currently several Nexus Work streams looking at aspirational changes to UNC processes, many of which that could be facilitated by the role out of smart metering and AMR devices.

We look forward to further discussions on the scope of a smart metering SCR with Ofgem and industry participants.

If you have any questions relating to this reponse please contact myself or Simon Trivella (simon.trivella@wwutilities.co.uk) on 02920 278550.

Yours sincerely

A handwritten signature in black ink, appearing to read "S Edwards", with a long, sweeping underline.

Steve Edwards
Head of Commercial and Regulation
Wales & West Utilities
Tel. 02920 278836
Steven.j.edwards@wwutilities.co.uk