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Dear Harpal,

National Grid Gas response to Ofgem's Final Proposals 'Tackling gas theft: the way forward'

Thank you for the opportunity to respond to the above Final Proposals. We have chosen to confine our response to the elements which are pertinent to us as a Gas Transporter.

We are fully supportive of the proposed Theft of Gas Codes of Practice which is planned to be governed under the Supply Point Administrative Agreement (SPAA). We anticipate an appropriate SPAA Change Request being raised in the near future pending completion of development work and would be concerned if Ofgem considered it necessary to bring forward measures to mandate implementation.

We are disappointed that Ofgem is not proposing at this stage to amend the funding arrangements for Gas Transporters concerning theft of gas investigations. Notwithstanding this we are currently significantly increasing the level of our investigation activity in respect of suspected theft of gas reports and incidences of unregistered sites. We are developing comprehensive new internal policies and procedures to help us do this as efficiently and effectively as possible. We anticipate sharing these with Ofgem for information purposes in the near future.

As you know we are active in the Xoserve Shipperless and Unregistered sites working group and have recently instructed Xoserve to introduce new procedures for advising by letter consumers suspected of taking gas without a supplier. We intend to take action involving consideration of disconnection of supply where such notifications are ineffective or disregarded.

We welcome Ofgem's view that it may consider amending the funding requirements should suitable changes made to the existing industry arrangements. NGD is committed to be at the forefront of new initiatives which reduce the likelihood of improper use of gas and which encourage theft prevention, detection and investigation.

With respect to unregistered sites we are presently considering how clarification of obligations might be optimally addressed through modification of the Uniform Network Code (UNC). However, we are also interested in the notion of introducing a licence condition as identified by Ofgem i.e. to ensure that large gas transporters implement the systems and practices required in order to fulfil their role in processing unregistered sites. We would like to discuss this matter with Ofgem in the near future.

We hope the above information is helpful. If you require any further information please contact me.

Yours sincerely,

Chris Warner
Network Code Manager