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Sent by email to: transmission.response@Ofgem.gov.uk

1 November 2017

Dear David,

Gazprom Marketing & Trading Limited (GM&T) response to consultation on proposals to implement aspects of Regulation (EU) 2017/460 (TAR NC)

Thank you for the opportunity to respond to this consultation, our response is not confidential.

GM&T would like to provide feedback in relation to question 2 on page 4 of your consultation document, on the proposal to align and extend the scope of the consultations required under TAR NC and industry procedures.

Ofgem proposes to direct NGG to carry out the final TAR NC Article 26 consultation and to launch it at the same time as the UNC 0621 industry consultation. It is proposed that this consultation shall commence no later than 2 April 2018 and shall remain open for at least 2 months but no longer than 3 months.

By directing that the consultations run simultaneously, Ofgem says that it aims to minimise the duplication of work and ensure that the legally binding deadlines of the EC are met.

GM&T would like to raise concerns about the proposal to run the UNC and ACER consultations in parallel and about the proposed timeframe.

The workgroup report that will be the subject of the UNC consultation will likely be too detailed for the purposes of the ACER review. If, as can be reasonably expected, there are a number of alternate UNC



modifications raised then, under Ofgem's proposals, NGG will be sending a range of possible outcomes (its own, plus alternatives that it objects to) and a commentary on each to ACER. This seems inappropriate. The TAR NC does not envisage a number of competing options being presented to ACER. The ACER review process is meant to involve a compliance check on a preferred solution.

If ACER is presented with a number of alternates that have not yet been subject to a check by Ofgem, then ACER will have to judge each and every UNC modification that is raised. It might be the case that all of the proposals are either non-compliant or only partially compliant (with the TAR NC and/or with our own objectives). It would be more sensible and less likely to cause disruption to the implementation timetable if Ofgem carried out an initial test internally, checking each of the modifications against both EU compliance and consistency with our own charging objectives. The single preferred solution could then be sent to ACER with confidence that the process can proceed as intended and not be delayed.

It is a false economy to send the proposals to ACER too early in the hope of better meeting the deadlines for implementation. GM&T thinks it is important for Ofgem to take a view on the compliance and suitability of the alternate modifications early, so as to expedite the implementation process. Far from saving us from duplicating work, holding the consultations in parallel could cause duplication and put timelines at risk. For market participants, this would create unnecessary uncertainty about what the future charging arrangements will look like.

We hope that you find these comments helpful. If you wish to discuss further please don't hesitate to contact me.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Lucy Manning". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Lucy Manning

Regulatory Affairs Advisor