



**Response to Leakage Model Modification
Consultation No 2; 23rd February 2012
Proposed Revision of Low Pressure Services
(Submitted by National Grid Distribution)**

**Response from Scotia Gas Networks
23rd March 2012**

1. Introduction

Special Condition E9 of the GT Licences requires GDNs to establish and maintain a Leakage Model and to regularly review that Leakage Model. Following such a review, National Grid have identified two potential improvements to the Leakage Model in respect of the Low Pressure Service and Above Ground Installation (AGI) venting calculations.

These two modifications were discussed at a Shrinkage Forum, held 6 January 2012. It was generally accepted that further data, and possibly field trials, would be required for the revised AGI Venting estimate.

However, NNGD have progressed the Low Pressure Service modifications via a formal Leakage Model Modification Consultation, published on 23rd February 2012, seeking Respondents views on all aspects of the proposal.

This document sets out Scotia Gas Networks views in relation to the proposal..

2. The View of Scotia Gas Networks

Within Section 6 of the Consultation, in addition to requesting any general thoughts regarding the proposal, views in relation to a number of specific questions were also sought. These are set out below along with the relevant response from Scotia Gas Networks:

- 1) *Should data from the latest three years of mains replacement be used to determine the mix of service populations for a new base year (2010/11)?*

Yes, it is believed this will provide a more informed picture of remaining service population, and therefore more accurate representation moving forward.

- 2) *Should the Low Pressure Service leakage model reflect the impact of service transfers to improve the accuracy of the leakage calculation?*

Yes, it is believed capturing details relating to service transfers will provide a more informed leakage calculation, reflecting the benefit gained from service transfers, which is not considered at present. The net result will be a more accurate estimation of leakage.

- 3) *Are the revised allowed leakage volumes appropriate to maintain the incentive properties of the environmental emissions incentive at current levels?*

It is believed that the principles applied to the revised allowed leakage volumes are appropriate, but would obviously be subject to assessment by the appointed Independent Expert.

- 4) *Should the above changes be made so as to apply for the 2011/12 leakage assessment and for future years for National Grid Gas Distribution networks?*

We support the principle that changes which will result in a more accurate calculation of leakage by the model should be supported and any such change accommodated at the earliest opportunity

- 5) *Is it appropriate to engage GL Noble Denton as the Independent Expert to review the Leakage Model and the proposed allowed leakage volumes and then provide a report of that review?*

It is appropriate that a suitable independent expert be appointed to review the Leakage Model for the purpose described. It is suggested that any such independent expert be appointed on the basis of carrying out said assessment for all DNs supportive of the proposal and who would also wish to adopt this same change within a similar timescale to that recommended within this proposal.

3. Conclusions

SGN can confirm that they have no objections to the formal Leakage Model Modification Consultation, published on 23rd February 2012 by NGGD.

SGN can confirm they remain supportive of, and committed to, the ongoing review and improvement in accuracy of the model and estimation of leakage generally.

4. Contact Details

Should any clarification be required in relation to this response, questions should be addressed to:

Stuart Forrest
Network Planning Manager
Axis House
5 Lonehead Drive
Newbridge
Edinburgh
EH28 8TG

or emailed to stuart.forrest@sgn.co.uk