



Inchcolm House
11 West Shore Road
Granton
Edinburgh
EH5 1RH

Modification Panel Secretary
Joint Office of Gas Transporters
First Floor South
31 Homer Road
Solihull
West Midlands
B91 3LT

09 January 2009

Dear John

Modification Proposal: 0268 : Change to the Provisions Determining the Earliest Reading Date Applicable within the AQ Review.

Thank you for providing Scotia Gas Networks (SGN) with the opportunity to respond to Modification Proposal 0268. SGN supports the implementation of this Modification Proposal.

Modification Proposal 0268 seeks to amend the backstop date by which an Annual Quantity (AQ) can be calculated using the earliest meter read date and to align this date with the 2010 proposed Weather Adjusted Annual Load Profile (WAALP) period, currently post 1st October 2006. The proposal would have the affect of replacing the current fixed AQ backstop date in UNC TPD Section H 3.2.3 & H 3.2.4 with a rolling date set at 1st October four years prior to the effective date of the latest Seasonal Normal review. Limiting the AQ backstop date to the earliest period WAALPs can be calculated from will prevent AQs being calculated by the application of outdated WAALPs. The Modification Proposal further specifies the total number of meter point AQs which failed to recalculate in 2005 due to the AQ backstop date to be 446 out of 4.5M total failures. This 3 year retrospective period has been increased to 4 years by this proposal, increasing to a maximum of 8 years which suggests the number of failures due to meter reads being excluded is likely to be less under these arrangements.

SGN agrees with the proposer that this Modification Proposal better facilitates the achievement of the relevant objective **Special Standard Condition A11.1 (a) 'the efficient and economic operation of the pipeline system'** by allowing the adjustment of AQs to the most up to date seasonal information. In addition by insuring AQs are calculated via an accurate and up to date mechanism the better facilitation of **A11.1 (d) 'so far as is consistent with sub paragraphs (a) to (c) the securing of effective competition between (i) relevant Shippers and (ii) relevant Suppliers.** Also, by negating the requirement to adjust the AQ backstop date on a rolling five year programme within the UNC, the Modification further better facilitates **A11.1 (f), 'the promotion of efficiency in the implementation and administration of the network code and / or the uniform network code.**



We hope you find these comments useful and if you should have any further questions please do not hesitate to contact myself on 0131 5596024.

Yours sincerely

Joel Martin

Joel.martin@scotiagasnetworks.co.uk