

Representation For. 0021
"Revision of the Emergency Cashout Arrangements"
Version 1.0

Date of Communication: 01/07/2005
External Contact: Steve Featherstone (Scotia Gas Networks)
Slant: Comments
Strictly Confidential: No

Abstract

Dear Julian,

Draft Modification Report 021: Revision of the Emergency Cashout Arrangements.

Thank you for providing Scotia Gas Networks with the opportunity to comment on the above draft modification report.

Scotia Gas Networks offers qualified support for the proposal as we believe that further work is required to clarify the transporters' obligations in respect of the calculation of the emergency interruption volume for affected supply points on their networks. At present the legal drafting is vague in terms of the information that each transporter would be required to provide to Transco NTS so that it could process the balancing trades. Indeed, the legal drafting would appear to suggest that only Transco NTS has the ability to require emergency interruption, which is clearly not the case, as this would be an action carried out by each transporter in relation to its own network, following instruction from the NEC. For example, the reference in 6.1.1(c) (in the second line) to "Transco NTS" should read "Transporter".

We are also unclear, when it is proposed that the methodology for the calculation would sit outside the UNC, how any disputes regarding the volumes raised ex-post by shippers would be handled, as we appreciate that the emergency interruption volume could have an influence on an individual shippers' imbalance position.

As there are implications for the interruption manager system, an impact assessment has been carried out which indicates that there are some costs associated with modifying the system. This work could be completed in time for 1 October, assuming that notice of implementation were provided before the end of July.

I hope that these comments are helpful. Should you wish to discuss any of the points raised in our response, please do not hesitate to contact me in the first instance.

Yours sincerely

Steve

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