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Modification Panel Secretary
Joint Office of Gas Transporters
First Floor South
31 Homer Road
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West Midlands
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06 June 2008

Dear Julian,

Modification Proposals: 0211 RbD Audit Governance Arrangements.

Thank you for the opportunity to comment on Modification Proposal 0211. Scotia Gas Networks fully support implementation of Modification Proposal 0210.

Since introduction of the RbD Audit an independent auditor has been appointed annually in order to review that the UNC obligations regarding Non-Daily-Metered (NDM) reconciliation, and in particular the Reconciliation by Difference (RbD) processes have been fulfilled by the Transporters, the audit findings have confirmed that xoserve, on behalf of the Transporters, have consistently complied with the provisions of the UNC.

It has generally been considered that the current RbD audit provides little benefit and therefore should be suspended. Implementation of this Modification Proposal will allow suspension of the RbD Audit however, on an annual basis the UNCC will be permitted to vote by Panel Majority on whether or not to suspend the appointment of an auditor in the following year. SGN consider the ability to apply the RbD Audit retrospectively to be advantageous as this would provide assurance to the industry that any un-audited periods be captured if necessary. SGN believe implementation of this proposal removes additional costs on the industry which do not provide many benefits thus better facilitates relevant objective A11.1, the promotion of efficiency in the implementation and administration of the network code.

SGN understand that; although it is not covered by this proposal; the RbD Subcommittee has recommended that a wider-ranging review of RbD processes, including shipper processes, be considered.

We hope you find these comments helpful.

Yours sincerely



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