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Modification Panel Secretary
Joint Office of Gas Transporters
First Floor South
31 Homer Road
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05 November 2008

Dear John

Modification Proposal: 0220: Invoicing Arrangements for Late Payments

Thank you for providing Scotia Gas Networks with the opportunity to respond to Modification Proposal 0220. SGN is in support of this Modification Proposal.

UNC Section S3.5 only allows credit/debit Late Payment Invoices to be raised by the Transporter; furthermore the UNC has no defined timescales within which an Interest Invoice should be raised. The proposer believes Interest Invoices are not always raised in a timely manner and potentially have perverse incentives where only late payments costs are recovered by the Transporters. This proposal has been raised to allow appropriate changes to the UNC to be made in order to provide further clarity in the UNC to ensure no party is inappropriately disadvantaged.

The proposal seeks to amend the UNC to state that an Interest Invoice should be raised no more than 35 days after the date of the late payment. SGN agree implementation of this proposal will provide an equitable and consistent solution and encourage appropriate behaviour in raising Interest Invoice in a timely manner.

We understand that this proposal applies only to Gas Transportation Invoices and will exclude Energy Balancing Invoices. No change is proposed to the Invoice Due Date of the Interest Invoice as specified within Section S3.1.2(b)

Extent to which implementation of the proposed modifications would better facilitate the relevant objective.

Standard Special Condition A11.1 (f): so fair as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code.

SGN agree implementation of this proposal would better facilitate this objective as it provides clear guidelines regarding the late payment charging process.



We hope you find these comments helpful.

Yours sincerely

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