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Modification Panel Secretary
Joint Office of Gas Transporters
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31 Homer Road
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Dear John

Re: Modification Proposal 0244B: Amending DM Supply Point Data for Sites with Significant Changes in Usage

Thank you for providing Scotia Gas Networks with the opportunity to comment on Modification Proposal 0244B. SGN do not support the implementation of this Modification Proposal.

Modification Proposal 0244B has been raised as an alternate to 0244. SGN consider this Modification to have some value in that it proposes to introduce this regime on transitional basis; until 30 September 2011; with a view to revisit this issue at a later date to determine whether there would be a requirement to continue and extend the transitional terms and also to provide the opportunity to improve the regime if necessary.

Although SGN considers Modification 0244B to have some merit and potentially will be a simpler proposal to implement in relation to 0244, we believe it is, to a large extent, too restrictive with regards to when the reduction of SOQ is permissible, which SGN believe does not fully facilitate the flexibility that Modification Proposals 0244 and 0244A offer, therefore, it may not provide the desired resolution for Users.

As with Modification Proposals 0244 and 0244A it is expected the change to relevant processes and procedures would be necessary to facilitate implementation of this Modification. However information regarding the extent of development, capital and operating costs are due to be made available once known.

SGN would like to provide further comments with regards to certain sections of the Draft Modification Report:

2. Extent to which implementation of the proposed modification would better facilitate the relevant objectives.

Standard Special Condition A11.1 (a): the efficient and economic operation of the pipe-line system;



SGN consider implementation of this proposal would not help further this relevant objective, this proposal does not provide effective information on customers system use.

Standard Special Condition A11.1 (c): the efficient discharge of the licensee's obligation under this license;

SGN do not consider implementation of this proposal would help further this relevant objective. It will allow Users to reflect actual usage and this will flow through to the transportation charges. However it does not necessarily follow that allowing shippers greater flexibility to register AQs, SOQs and BSSOQs will mean that they will better reflect actual usage and this may create uncertainty in the licensee's planning process.

4. The implications for Transporters and each Transporter of implementing this Modification Proposal, including:

b) Development and capital cost and operating cost implications

Details of actual development timescales and capital costs are not yet known this information will be shared with industry as soon as it is made available.

We hope you find these comments helpful.

Yours sincerely

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