



St Lawrence House  
Station Approach  
Horley  
Surrey  
RH6 9HJ

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

07 May 2010

Dear John

**Re: Modification Proposals 0286 0286A - Extending Modification Panel Voting Rights to (a) Consumer Representative(s)**

Thank you for providing Scotia Gas Networks with the opportunity to comment on the above Modification Proposal. SGN do not support implementation of Modification Proposal 0286 or 0286A.

These proposals have been raised to allow changes to be made to the current voting arrangements as set out in the UNC Modification Rules. Proposal 0286 seeks to amend the UNC modification rules such that the two non-voting seats on the Panel currently allocated to consumer representatives are provided voting rights and the alternative 0286A seeks to limit Consumer Focus to one seat on the Panel; this vote does not extend to self governance proposals or non-modification business carried out under the UNC Committee, which has the same membership as the Panel.

Both Modification Proposals were raised prior to the publication of Ofgem's Industry Code Governance Review (ICGR) Final Proposals in which Ofgem have indicated '*.....in the case of either being implemented a further code modification may still be required in order to reflect the potential for a further consumer representative on the panel to be appointed by the Authority*'.

Furthermore, SGN consider implementation of either Proposal may have consequential risks for Transporter and Users as the Consumer Representative vote could alter the outcome of a Panel vote. This increases Transporters/Users risk that the Panel will vote in favour of an issue despite having no Transporter/User support. Also the change in voting rights may mean that Transporters/Users are unable to lodge a Competition Commission appeal against an Ofgem direction as Appeals are only permitted when an Ofgem direction goes against Panel recommendation.

Although SGN are supportive of the principles of both these proposals and in what they are trying to achieve we believe it may be prudent for further discussions to take place within the Review Group 0267: Review of UNC Governance Arrangements and careful consideration given to the possibility of a suitable Modification Proposal being raised to take into account the requirements as



set out in the ICGR and further explore an appropriate mechanism for the changing the current voting arrangements which reduces commercial risk to any industry party.

We hope you find these comments helpful.

Yours sincerely

Bali Dohel  
Commercial Analyst  
Scotia Gas Networks

Tel: 01689 886780  
Mob: 0787 9434 113  
Email: [Bali.Dohel@sgn.co.uk](mailto:Bali.Dohel@sgn.co.uk)