

Representation

Draft Modification Report

0385: Inclusion of DNOs as Users in User Pays Arrangements

Consultation close out date: 16 November 2011

Respond to: enquiries@gasgovernance.co.uk

Organisation: Scotland & Southern Gas Networks (SGN)

Representative: Erika Melén

Date of Representation: 16th November 2011

Do you support or oppose implementation?

Neutral

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

The established process to allocate User Pays costs (between Transporters and Shippers) has in the past been amended on an ad hoc basis to facilitate the split between DNOs and Shippers both as Users e.g. through modification 0381. National Grid NTS are with this modification looking to formalise this split within the Modification Rules.

As DNOs can already be classified as users when necessary within the modification rules as they stand we are neutral to this change.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No

Self Governance Statement:

Do you agree with the Modification Panel's decision that this should be a self-governance modification?

Yes

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

0385

Representation

16 November 2011

Version 1.0

Page 1 of 2

© 2011 all rights reserved

We agree that this proposal may better facilitate relevant objectives (c) and (f) by creating enhanced visibility of apportionment of costs across the industry. We do not believe that this will facilitate further competition between shippers and DNOs as the split of costs between the two parties as Users can already be applied under the current mechanism.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

None

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

None

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

No