

## Representation

### Draft Modification Report

#### **0407: Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users**

**Consultation close out date:** 06 September 2013  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** Scotland & Southern Gas Networks  
**Representative:** David Mitchell  
**Date of Representation:** 06 September 2013

#### **Do you support or oppose implementation?**

Support

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

SGN supports the proposed implementation of this modification as it seeks to give DNs increased flexibility in amending our aggregate offtake rates. The current 2 hour 5% rule has been shown historically to be unnecessary as even on high demand days NTS have not applied the rule.

We believe that a pragmatic approach has been taken in the development of this modification which seeks to benefit all parties involved. The alternative to this modification would have been to invest in additional storage on potentially both the NTS and DN systems to accommodate excursions outside of the 2 hour 5% rule. Analysis that was completed by the DNs indicated that localised storage to comply with the existing rules would cost in the region of £350 million and as such we believe that this modification provides an economical solution.

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

N/A

#### **Relevant Objectives:**

*How would implementation of this modification impact the relevant objectives?*

SGN believes that relevant objective C is facilitated by this modification as it avoids the investment costs for both DNs and NTS which would be required to remove the 2 hour 5% rule.

This proposal will allow relevant objective f to be met as it will enable DNs to comply with the UNC rules

#### **Impacts and Costs:**

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

0407

Representation

18 July 2013

Version 1.0

Page 1 of 2

© 2013 all rights reserved

None

**Implementation:**

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

We agree with the timescale for implementation that have been set out in the modification.

**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.*

None