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Modification Panel Secretary
Joint Office of Gas Transporters
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Dear Julian,

Modification Proposal: 0192 Introduction of DNO obligations to facilitate resolution of unresolved USRVs.

Thank you for the opportunity to comment on Modification Proposal 0192. Scotia Gas Networks fully support the implementation of this proposal.

This proposal has been raised as a consequence of Review Proposal 0158 'Review of User Suppressed Reconciliation values incentive arrangements'. Proposal 0158 concluded that the UNC should be modified to ensure USRVs are not 'timed out' and a 'backstop' arrangement to resolve USRVs before they reach the 4/5 year cut off date for invoicing (4/5 year cut off date is as a result of the introduction of Modification Proposal 0152V 'Limitation of Retrospective Invoicing and Invoice Correction').

SGN considers 30 months from the date of creation to be an appropriate length of time to enable Users to attempt to resolve a USRV. The DNOs agent, xoserve, would attempt to resolve the USRV after the 30 months have lapsed. All linked USRVs would also be resolved by xoserve as part of this process. SGN understand that the User will still have the ability to resolve the USRV until such time as the DNOs agent determines the resolution. Under any circumstances the User will still be liable for the charge once the Transporters agent has begun the process post 30 months.

SGN agree that any additional information which is reasonably required by the DNOs agent should be made available by Users. The DNOs agent will use reasonable endeavours to resolve a USRV using conventional methods; however, in the event that it is not practicable to resolve the USRV, zero Reconciliation will apply at the discretion of the DNO. The resolution determined by the DNO would be binding.

It is proposed that costs associated with providing this service would be recovered by the User Pays mechanism. The DNOs agent has also identified some UK Link systems changes would be



required as a result of implementation of this Proposal as new codes/reports would be required within Conquest. Additional charge types would also be required for User Pays Services.

SGN believe that overall implementation of the above proposal will ultimately better facilitate the following relevant objective.

Standard Special Condition A11.1 (d): the securing of effective competition:

SGN agree the implementation of this Modification Proposal will better facilitate this relevant objective as it will assist in improving prompt and timely resolution of USRVs, thus increase the level of certainty for Users charged through RbD. Furthermore, it would provide a more accurate allocation of energy and transportation charges.

We hope you find these comments helpful.

Yours sincerely

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