

Representation For. 0054a
"Modification to Codify Emergency Curtailment Quantity (ECQ) Methodology"
Version 2.0

Date of Communication: 05/01/2006
External Contact: Beverley Grubb(Scotia Gas Networks)
Slant: Against
Strictly Confidential: No
Abstract

Thank you for providing SGN with the opportunity to comment on the above Modification Proposal.

SGN does not support proposals set out in 0054a. We do not believe there would be significant additional benefit in having the ECQ Methodology incorporated within the UNC. The ECQ Methodology does not in itself set out "commercial terms". It merely sets out a calculation method. Commercial aspects are already set out in the UNC and open to modification. In addition, SGN is concerned that alternative arrangements set out to calculate the Emergency Curtailment Quantity are based on concerns that initial arrangements relied upon site SOQs as a means of estimating a User's ECQ. As highlighted in the joint classificatory note circulated by Transporters at the end of last year, this was just an interim solution and has been replaced by a systematised approach which will take into account a range of information available to Transporters, including nominations where available and historical data. As such, we do not believe that many of the arguments put forward to justify this proposal are relevant. It is not clear that the arrangements proposed in 054a for calculating the ECQ would offer any significant additional benefit or be significantly more accurate than those set out in the clarificatory note for implementation in January. Indeed, we are concerned that any changes to the method just implemented would require further work and result in additional cost. It is also not clear that this work could be completed for this winter. As such, it is not apparent that the calculation proposals set out in 054a would necessarily be any more accurate or better facilitate any of the relevant objectives set out in the modification report.

I hope these comments are helpful.

Regards

Beverley Grubb
Scotia Gas Networks