Representation For. 0019

"Amendment of Network Entry Provisions at ConocoPhillips sub-terminal at Theddlethorpe to align with Transco's 10 Year Statement" Version 1.0

| Date of Communication: | 21/06/2005 |
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| External Contact: | Garth Graham (Scottish And Southern Energy plc) |
| Slant: | Comments |
| Strictly Confidential: | No |

Abstract

Dear Sirs,

Draft Modification Report 019: Amendment of Network Entry Provisions at ConocoPhillips subterminal at Theddlethorpe to align with Transco's 10 Year Statement.

Thank you for providing Scottish and Southern Energy plc with the opportunity to comment on the above draft modification report.

We note that the proposal seeks to amend the gas quality specifications at the ConocoPhillips subterminal at Theddlethorpe so that they are consistent with provisions introduced at other Network Entry Points to enable lower Wobbe gas supplies to be delivered to the NTS.

On initial consideration this appears to be a Modification worthy of support. However, we are concerned that this is one of a series of similar Modifications which, taken in their totality, could have the combined effect of lowering the overall CV within the system. We therefore believe that consideration should be given to the medium/longer-term impact on the Total System of a higher proportion of lower CV gas coming into GB.

It maybe, for example, that this is a matter that is covered (or could be covered) by the EASEE gas work sponsored by Ofgem/DTI?

Therefore, on balance, whilst we believe that this Modification Proposal 019 should proceed to implementation; we also believe that more detailed consideration should be given to the overall strategic impact that a reducing CV has on the Total System energy composition.

I hope that these comments are helpful. Should you wish to discuss any of the points raised in our response, please do not hesitate to contact me in the first instance.

Yours sincerely

Garth Graham Scottish and Southern Energy plc