

Representation For. 0096

"Reconciliation following AQ Amendment, SSP becoming LSP following inter process amendment of AQ"
Version 1.0

Date of Communication: 29/08/2006
External Contact: Bali Dohel(Scotia Gas Networks)
Slant: Comments
Strictly Confidential: No

Abstract

0094: Reconciliation following AQ Amendment, SSP becoming LSP with change of <20% or 15,000kWh

0095: Reconciliation following AQ Amendment, SSP becoming LSP following change of Registered User

0096: Reconciliation following AQ Amendment, SSP becoming LSP following inter process amendment of AQ

Thank you for providing SGN with the opportunity to comment on the above modification proposals.

In view of the information provided to date SGN are neutral on these proposals.

Under Mod 640 these exclusions were originally introduced to ensure the process was manageable and practicable but also ensuring arrangements were fair and equitable. From the limited information provided at the RbD Sub Group meeting in June it would appear the volumes excluded under UNC TPD Section E 7.4.3 are not as significant or material as previously thought or suggested under the above modification proposals. Notwithstanding, the above proposals do raise important points of principle. There is clearly some concern amongst the Shipper community that current arrangements are not fair and equitable. This is perhaps best addressed by Shippers rather than Transporters.

SGN notes that although proposals could be implemented by Xoserve immediately and would have minimal or no system costs, they will have some administration cost implications. Proposals are likely to require an additional 3 weeks of effort by Xoserve: one week of additional effort to run processes for each exclusion. We believe there may also be an impact on Shippers' systems and processes. In view of this we believe that benefit and materiality should be assessed against potential implementation costs.

It is unclear to us at this stage whether benefits would outweigh costs but as costs are likely to be minimal we feel it would be more appropriate for the debate and outcome to be guided by Shippers.

We hope you find these comments helpful.

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