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Modification Panel Secretary
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Dear Julian

Modification Proposal 0127: Introduction of a DN Pensions Deficit Charge on DNO Users

Thank you for providing SGN with the opportunity to comment on the above Modification Proposal. SGN is supportive of the proposal but has some comments regarding proposed legal text.

This issue has been discussed and is being consulted upon under the Transmission Price Control Review and Distribution Price Control Review. SGN supports the approach outlined under these consultations and has recently responded to National Grid NTS's Pricing Consultation Paper NTS GCM02 proposing a new transportation charge, to recover allowances. Consultation is also ongoing in respect of licence conditions.

SGN believes this Modification Proposal is simply an enabling proposal, seeking to implement arrangements set out under the Price Control Reviews. To this extent SGN is supportive of the Proposal to introduce a new charge type and setting out invoicing and credit provisions within the UNC. The actual amount of the charge is outwith the scope of the UNC.

With regard to legal text, we believe that under UNC TPD Section B 1.7.1 (a) the distinction between charges payable by Shipper Users and DNO Users needs to be clearer. We do not believe the proposed wording is clear that DNO Users only pay DN Pensions Deficit Charges and not the other charges listed as payable by a User. In relation to UNC TPD Section V 3.1.5 it might be helpful to clarify that references to Users now includes DNO Users but only in respect of DN Pensions Deficit Charges.

We hope these comments are helpful.

Yours sincerely

Beverley Grubb
Commercial Manager
Scotia Gas Networks