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Modification Panel Secretary  
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Dear Julian

**Modification Proposal 0152V, 0152AV and 0152VB – Limitation on Retrospective Invoicing and Invoice Correction**

Thank you for providing SGN with the opportunity to comment on the above Modification Proposal. SGN is generally supportive of the principle behind all of the above Modification Proposals and believes the implementation of a cut-off date for retrospective invoicing would better facilitate the relevant objectives.

We do not believe it would improve incentives for Gas Transporters to ensure metering and invoicing functions operate more efficiently. We believe current auditing arrangements and processes are sufficiently robust and are designed to identify errors at the earliest possible opportunity. SGN is very proactive in this area. However we do agree that proposals would limit risk for Shippers and Suppliers, potentially improving ability to set prices and recover costs. We do not believe that any such risk would on its own act as a barrier to entry but we believe the reduction in risk would help improve competition.

We note that proposals apply to both credits and debits. We also note that Shippers have expressed different views. This is largely dependent on portfolios and exposure through socialisation of costs. There are clearly advantages and disadvantages for all parties depending on individual circumstances. We do not believe it is appropriate for SGN to give a view on such matters as there is no significant impact from a Transporter perspective. We also note that xoserve has indicated there would be no significant impact from a system, data storage or processing perspective.

With regard to implementation timescales, it should be noted that xoserve has initiated some initial analysis and highlighted concerns regarding the proposed implementation timescale of April 2008. Should Ofgem consider that either Modification Proposal should be directed for implementation; further consideration would need to be given to this aspect of the proposal before an implementation date is set.

We hope these comments are helpful.

Yours sincerely

Beverley Grubb  
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