

3<sup>rd</sup> August 2007

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Joint Office of Gas Transporters

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**UNC Modifications 152V, 152AV and 152BV**

Thank you for the opportunity to respond to the above Modification Proposals. ScottishPower support implementation of Modification 152V and offer qualified support for Modifications 152AV and 152BV. Our order of preference for the implementation of the 3 Modifications would be 152V, 152BV followed by 152AV. Our reasons for this are that the least period of reconciliation is the most favourable position.

ScottishPower actively participated within the UNC Review Proposal 126 seeking to reduce the retrospective billing period for the application of energy and transportation charges. Within the review Group after a great deal of deliberation, the large majority of participants supported the application of a maximum 5-year invoicing period. Under Modification Proposals 152BV and 152AV, longer retrospective billing periods are proposed however we believe that a maximum period of 5 years is the preferred option in order to reduce risk exposure for RbD Shippers. We acknowledge the issues raised within Proposals 152AV with regard to the application of the statute of limitations however we believe that this was considered within initial discussions of the Mod 126 Review Group and was considered not to be of significant risk.

Currently as an RbD Shipper, we are exposed to reconciliations that can go back as far as February 1998. Indeed the recent Farmingham meter error applied retrospective charges back to 1999 based on current market share. In today's competitive market and the limitations placed on domestic Suppliers in relation to back billing their customers, it is not acceptable that the level of risk presented by the current reconciliation model continues.

With regard to meter errors that can result in large volume reconciliations having to be applied over extended periods, we believe that the appropriate incentives require to be placed on responsible parties to ensure that metering equipment operates accurately, is inspected and audited frequently to ensure errors are recognised and rectified at the earliest opportunity. We believe that the implementation of Modification 152V supports the requirement for meter accuracy

We believe that Implementation of Modification 152V will further the Gas Transporters relevant license objectives. The reduction of the time period for reconciliation will reduce uncertainty within the RbD market and as a result will promote competition between Shippers and Suppliers within that market sector.

Please do not hesitate to contact me should you wish to discuss this response further.

Yours sincerely

Marie Clark  
Energy Commercial Manager  
ScottishPower