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Julian Majdanski
UNC Modification Panel Secretary
Joint Office of Gas Transporters
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Dear Julian

Mod Response to Modification Proposals 0152V, 0152AV and 0152VB

Scottish and Southern Energy supports the implementation of all 3 modification proposals, but has a strong preference for 0152V.

The current backstop date of 1st February 1998 for reconciliation purposes was set at the start of domestic market competition, and as time has passed, the period over which a reconciliation can be performed has increased, along with associated risks to shippers. All 3 of the modification proposals will improve the situation, by both shortening the reconciliation period and by moving the start date forward each year, thus limiting the time over which a reconciliation can be carried out and, hence, reducing risk to shippers, especially those with a sizeable small supply point portfolio that have a significant exposure to the RbD process.

The modification proposal which best achieves this and reduces the risk is 0152V, which limits the reconciliation period to between 4 years 0 days and 4 years 364 days. We feel that this proposal is a very good balance between risk limitation and allowing such reconciliation's of large of meters that are necessary to be carried out.

Domestic shippers are unable to pass costs on to domestic customers after a 2 year period, which again increases the incentive for a shorter reconciliation period.

Data storage and maintenance is increasing all the time and all 3 modification proposals will be beneficial in this respect by reducing the amounts required to be kept. However, modification proposal 0152V will require the least amount of data storage for both shippers and Xoserve.

We also support the roll forward date of 1st April each year which is the date proposed in all 3 proposals, as it is a relatively quiet time of year where no large processes, such as the AQ review, are taking place.

Yours sincerely

Jeff Chandler
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