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Modification Panel Secretary
Joint Office of Gas Transporters
First Floor South
31 Homer Road
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West Midlands
B91 3LT

05 August 2009

Dear John

Re: Modification Proposal 0256: Amendment to the Network Entry Agreement at St Fergus SAGE Terminal

Thank you for providing SGN with the opportunity to comment on the above Modification Proposal. SGN supports implementation of this Modification Proposal.

SGN agree with the proposer that by changing the Wobbe Limits at St Fergus SAGE Terminal this would be in line with those specified in the Gas Safety Management Regulations and would also bring the requirements in line with the majority of other ASEPs and NTS Exit Points. Furthermore, we also agree that implementation of this proposal would allow the Delivery Facility Operator a wider range of offshore reserves which may enhance security of supply and effective competition between gas shippers and suppliers as it would lead to consistency between sites.

SGN understand there will not be any measurable impact on CV Shrinkage if this proposal was to be implemented.

SGN has the following comments to make in respect of specific sections of the Draft Modification Report:

3 Extent to which implementation of the proposed modification would better facilitate the relevant objectives

Standard Special Condition A11.1 (a): the efficient and economic operation of the pipe-line system to which this licence relates;

SGN consider implementation of this proposal may further this relevant objective as by widening the Wobbe Limit range could potentially increase the flows of gas therefore may improve the operation of the pipe-line system in an efficient and economic manner.

4 The implications of the Modification Proposal on security of supply, operation of the Total System and industry fragmentation:

SGN agree with the proposer that implementation of this proposal would allow additional gas supplies to be brought from the UKCS consequently furthering security of supply in the UK.



We hope you find these comments helpful.

Yours sincerely

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