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(by e-mail)

Dear Tim

UNC Modification 242 - Changes to the window for the submission of Valid Meter Readings

Thank you for the opportunity to respond to the above Modification Proposal.

This response is non-confidential and ScottishPower are happy for this to be posted on your website.

ScottishPower are supportive of the principles behind this Proposal. We agree with the Proposer that the ability to allow a greater number of actual Meter Readings to be accepted by xoserve, acting as the Gas Transporters' agent, will result in improvements to the accuracy of energy allocation through the reconciliation process, by allowing Shippers a greater opportunity to resolve any queries/issues before submitting reads, if required.

We also believe that submission of a greater number of actual Meter Readings will have a positive impact on the accuracy of setting Annual Quantities (AQ), which in turn will help to improve the setting of deemed volumes of energy at supply points.

However, although ScottishPower recognise the value and benefits of this Proposal, and agree it will result in a greater number of reads being accepted by xoserve, given the fact that implementation of the Proposal will result in the possibility of 50% of reads taking 25 Business Days to be submitted, it should be noted that valid reads may continue to be rejected in some circumstances. For example;

- If a meter is exchanged between the date the read was obtained and the date it was submitted to xoserve, this read would be rejected since it relates to a different asset (although in this instance exchange reads should have been recorded);
- If other meter works were to be conducted between the date the read was obtained and sent to xoserve, the read would be rejected as a later read would already be recorded; and
- A change of supply could take place between the date the read was obtained and submitted, hence the read would be rejected, as a different Shipper would be registered against the supply point.

These points are based on the assumption that it can take up to 5 weeks to submit reads, so we appreciate the probability of receiving such rejections will be minimal.

Therefore, taking into consideration that the likelihood of rejection types noted above being raised, should this Proposal be implemented, are minimal, ScottishPower are supportive of this Modification.

We believe that the Proposal furthers Standard Special Condition A11.1 (d). Acceptance of more valid Meter Readings will facilitate more accurate allocation of energy and transportation charges between Users. This will permit improved targeting of energy balancing charges and increase the cost reflectivity of Transportation Charges, thereby better facilitating achievement of the Code Relevant Objective of securing effective competition between relevant shippers.

Please don't hesitate to contact me if you wish to discuss further.

Yours sincerely,

Lorraine McGregor
Commercial Regulation
ScottishPower