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Modification Panel Secretary
Joint Office of Gas Transporters
First Floor South
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08 October 2009

Dear John,

Re: UNC Modification 0258: Facilitating the Use of Remote Meter Reading Equipment for the Purposes of Demand Estimation Forecasting Techniques & UNC Modification Proposal 0258A: Facilitating the Use of Remote Meter Reading Equipment and the Procurement of Data from a Third Party for the Purposes of Demand Estimation Techniques.

Thank you for providing Scotia Gas Networks with the opportunity to comment on the above UNC Modification Proposals.

SGN offers support to both UNC Modification Proposals, 0258 & 0258A with a preference for Modification 0258A.

Transporters are currently obligated under UNC TPD Section H1.6 to obtain data from a sample of supply points to support the development of end user categories and demand models used in the Demand Estimation process. Transporters are currently restricted as to the method they may utilise to obtain this data, having only the option to install devices which do not convey data remotely at a certain number of Supply Points. Both 258 & 258A Modification Proposals support the extension of the option to utilise Remote Meter Reading Equipment to all Sampled NDM Supply Points whilst maintaining the option to install Data Recorders (non remote devices) where technical conditions prohibit the use of Remote Meter Reading Equipment. Both Modifications also seek to clarify the definition used to refer to remote logging equipment in relation to activities undertaken in Section H as opposed to Daily Meter activities undertaken in UNC TPD Section M. Both Modifications also replicate the protections currently provided to Daily Read Equipment to Remote Meter Reading Equipment for Section H purposes and afford the same protections to Data Recorders thus further bolstering the securities afforded to Sampled NDM Supply Points.

UNC Modification Proposal 0258A further introduces the option to enable Transporters to procure NDM Supply Point data from a third party including but not limited to Shippers, Suppliers and End Users. Modification 258A argues that the increased growth in Automated Meter Reading (AMR) devices currently being installed provides the ability for Transporters to reduce their costs in collecting sample data. SGN agree that this enabling UNC Modification could present cost benefit reductions to Transporters and also the



potential to further increase the NDM Supply Point Sample ensuring a more robust sample population. SGN note the obligation to maintain a random sample containing differing AQs, selected from varying geographical locations remains with the Transporters as detailed in UNC TPD Section H1.6.2 (c).

SGN have provided additional comments in relation to 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 pipeline system to which this licence relates;

SGN agree Modification Proposal 0258A could enable Transporters to reduce their costs associated with the collection of NDM Supply Point Sample data thus increasing their ability to operate the system in an economic and efficient manner. Both Modification proposals may also provide the opportunity to reduce Transporter costs by providing the option to move away from potentially more costly manually downloaded data loggers in favour of remote equipment. This in turn would also increase Transporters' ability to operate the system in a more economic and efficient manner.

Standard Special Condition A11.1 (b): so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of

(i) the combined pipe-line system, and / or

(ii) the pipe-line system of one or more other relevant gas transporters;

SGN agree with the Proposer of UNC Modification 0258A that the additional benefits this alternate proposal offers would be afforded to all Transporters and would thus apply to the operation of the combined pipe-line system.

Standard Special Condition A11.1 (d): so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition:

(i) between relevant shippers;

(ii) between relevant suppliers; and /or

(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers;

SGN agree that both Modification Proposals, by allowing the installation and use of Remote Meter Reading Equipment on NDM Demand Estimation Supply Points would increase the quantity of the data collected subsequently improving the quality of the demand estimation algorithms.

Standard Special Condition A11.1 (f): so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and / or the uniform network code.

Modifications 0258 & Modification 258A remove the current definition used in UNC TPD Section H "Daily Read Equipment" (DRE) and replace it with "Remote Meter Read



Equipment". SGN agree with both proposers that by restricting the use of DRE to UNC TPD Section M further clarifies the obligations placed on both Users and Transporters for the purposes of Sections M & H.

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

Extending the optionality for Transporters to install Remote Meter Read Equipment on all NDM Demand Sample points would enhance the operation of the Total System by providing for the early recognition of faulty equipment or premises which have become vacant enabling a timelier re-location of such NDM Sample points.

8. The implications of implementing the Modification Proposal for Users including administrative and operational costs and level of contractual risk.

Consequence for the level of contractual risk of Users

Improvement in both the NDM Demand Estimation Sample size and quality could lead to an overall increase in confidence of the Non Daily metered allocation regime.

9. The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party

SGN agree with the proposer of UNC Modification 0258A that implementation of this Modification could result in a reduced number of devices attached to metering equipment and the complexity of such installations at Supply Points. This would result in improved administration for Meter Asset Managers and companies associated with the installation of AMR equipment.

We hope you find these comments useful.

Yours Sincerley

Joel Martin.
Xoserve Contract Manager.