

Representation

Urgent Modification Proposal

0405: Bottom Stop SOQ Appeal Mechanism for 2011/12

Consultation close out date: 01 December 2011

Respond to: enquiries@gasgovernance.co.uk

Organisation: **Scotland & Southern Gas Networks (SGN)**

Representative: Erika Melén

Date of Representation: 1st December 2011

Do you support or oppose implementation?

Support

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

SGN are in agreement with the proposer of the Modification Proposal that, considering the economic climate has not improved, this change originally brought about by UNC MOD 0275 is still warranted.

Concerns were raised during the UNC MOD 0275 consultation in relation to Shippers potentially abusing this process to artificially reduce their costs by reducing their Supply Point Capacity (SOQ), but as there has been no evidence of this for the past two years and we do not consider this to be a valid issue.

We do recognise that there may only be a very modest uptake of this service but do not think this should impede implementation due to the support that this service could potentially offer to businesses and hence UK Plc. We would however request that shippers utilising this process during the Capacity Reduction Period be mindful of the importance of the Supply Point Offtake Rate (SHQ) to Transporter network and capacity planning and wherever possible look to amend this value alongside the Supply Point Capacity (SOQ).

There should also be further consideration given to an ongoing solution in this area and SGN would support a review of the potential options.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

0405

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Version 1.0

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No

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

We agree that the proposal better facilitates relevant objectives (c) and (d) through ensuring more cost-reflective capacity charges to consumers.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

None

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

None

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

No