



Ms Ndidi Njoku  
Industry Codes  
Office of Gas and Electricity Markets  
9 Millbank  
London  
SW1P 3GE

Our Reference:  
Your Reference:

Scotia Gas Networks  
c/o Inveralmond House  
200 Dunkeld Road  
Perth  
PH1 3AQ

Telephone: 01738 456400  
Facsimile: 01738 456415  
email:

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Dear Ndidi

### **Review of Reconciliation by Difference (RbD)**

Thank you for providing us with the opportunity to respond to the above consultation paper.

We note that xoserve has provided a detailed response to the issues and questions that Ofgem has raised in the consultation paper. More generally however, we believe that the issues set out in the paper are not sufficiently material to justify a wider review of the RbD process, with all of the attendant resource and costs implications. We would also be opposed to any substantial reform of the settlement systems at this stage, as we do not believe that such change would be justified on cost/benefit grounds. Rather, we would support Ofgem's initial view that the issues identified can (where necessary) most appropriately be addressed through existing industry mechanisms such as the UNC modification process.

However, it is important to note that any costs associated with a wider review and/or reform of the RbD process have not been provided for in the current price control allowance. Therefore, to the extent that the DNs could be exposed to, hitherto, unidentified costs, these costs would have to be explicitly allowed for in the DN price control.

Yours sincerely

Victoria Hunter  
**Regulation Manager**

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Web: [scotiagasnetworks.co.uk](http://scotiagasnetworks.co.uk)

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\*Calls will be recorded and may be monitored

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