

**Paul Newman**

---

**Subject:** Comments on GDPCR

Hi Indra

Following our telephone discussion with you and your colleagues on Tuesday, we have made comments on the relevant licence changes in relation to iGTs as outlined below;

**Financing Issues**

With regard to the proposed changes to the Availability of Resources report and specifically the Working Capital Statement within that. We believe that this Statement signed off by our Directors and reviewed by our Auditors is sufficient to provide the necessary comfort to Ofgem. For SSEPL to provide a Cash Flow Statement would involve additional work and resource and which we believe would provide no greater assurance than that already given.

With regard to the proposal of providing a statement of movement in net debt and an analysis of net debt, these are already provided in the Regulatory Accounts.

**Quality of Service**

**Changes to the Guaranteed Standards**

We note that Ofgem's favoured approach is that iGTs notify DNs which customer is off and for how long. However this would require some contractual changes which need to be developed in parallel with any Licence change.

**A19**

Under Provision of Information (4) part (d) states that the licensee must: 'give a copy of the statement on request and free of charge to any person'. We think 'person' should be changed to say 'Domestic Customer' for consistency with the rest of the licence.

There is also an additional requirement included for the first time which would mean that the licensee would have to provide a person whose first language is not English with advice or assistance in order to understand the contents of the statement. This is a new requirement which places additional obligations on gas transporters. It is not consistent with the Supply Licence Review and we do not feel it is appropriate to include this within the Gas transporters licence.

**SLC 4B**

With regard to the proposal to require an approved methodology, we note that these are to be approved by 1st April 2008. Our preferred date would be 1st October 2008 as we believe that this is a more realistic timetable.

However, you have given your assurance that if iGTs submit a methodology for approval by 1st April 2008, then Ofgem are unlikely to consider them in formal breach of their licence if it is not approved at that date.

With specific reference to paragraph 6 of 4B, a new condition has been included which states that the licensee must consult and allow a period of not less than 28 days. During discussions with us Ofgem said that the default position would not be to consult. At the least we think this condition needs to be redrafted to make the intention clear. However, we believe that this Condition is inconsistent with electricity, where DNOs decide themselves on the need to consult. Ofgem then decide whether they additionally need to consult. We do not therefore believe a formal licence obligation is required.

We hope you find these comments of use.

Regards

Nicola Stewart  
Regulation Analyst  
Scottish & Southern Energy  
Tel: 01738-456712

22/01/2008