Inveralmond House
200 Dunkeld Road
Perth
PH1 3AQ

Bogdan Kowalewicz
Gas Transmission
Ofgem
9 Millbank
London
SW1P 3GE

Our Reference: Telephone: 01738 456196

Your Reference: Facsimile: 01738 456415

Date: 19 February 2010

Dear Bogdan,

Proposed disposal of part of National Grid's (NG) National Transmission System (NTS) for Carbon Capture and Storage (CCS): Publication of independent studies by Wood Mackenzie and Poyry Energy Consulting

Thank you for providing Scotia Gas Networks with the opportunity to comment on the independent studies carried out by Wood Mackenzie and Poyry Energy Consulting.

We fully support the objective of the UK Government for CCS to be developed and demonstrated to be a viable low carbon option for deployment post 2020, and recognise the potential of CCS as a tool in the battle against climate change. Moreover, we support the concept of disposing of redundant assets for alternative uses.

We welcome the independent studies undertaken by Poyry and Wood Mackenzie. However, we are concerned that analysis regarding the impact of the disposal on assured pressures and system flexibility for Users, in particular the Gas Distribution Networks (GDNs), has yet to be conducted. Scotia Gas Networks already experiences problems with the provision of assured pressure that NGG NTS is committed to provide at the various NTS offtakes within Scotland, and we are concerned that the proposed disposal of part of the NTS will only work to exacerbate this problem further. To ensure that all key issues are considered in Ofgem's consultation process, we would urge Ofgem to conduct this analysis as soon as possible, and include the results in the next consultation on the proposed disposal of NTS assets for CCS, expected in April 2010. We are happy to provide Ofgem with any assistance required to conduct the analysis.

We hope that you find our comments helpful. If you would like to discuss any of the points raised in more detail, please do not hesitate to get in contact.

Yours sincerely,

Victoria Hunter
Regulation Manager