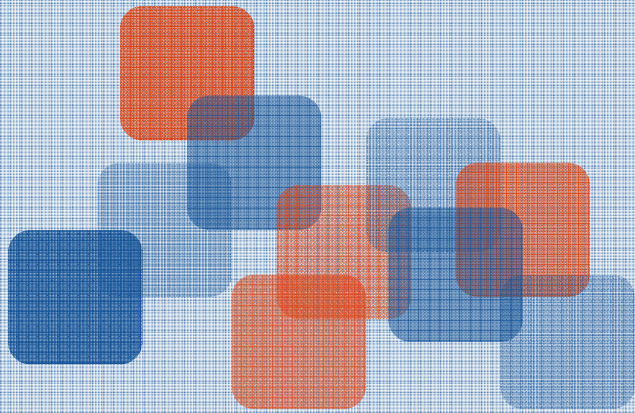


SOMSA Exit –impact

Roger Warren
Head of Gas Control
Scotia Gas Networks



Agenda

- Background
- Why SOMSA exit?
- SGN – who are we
- SOMSA exit process
- Communications links
- Questions?

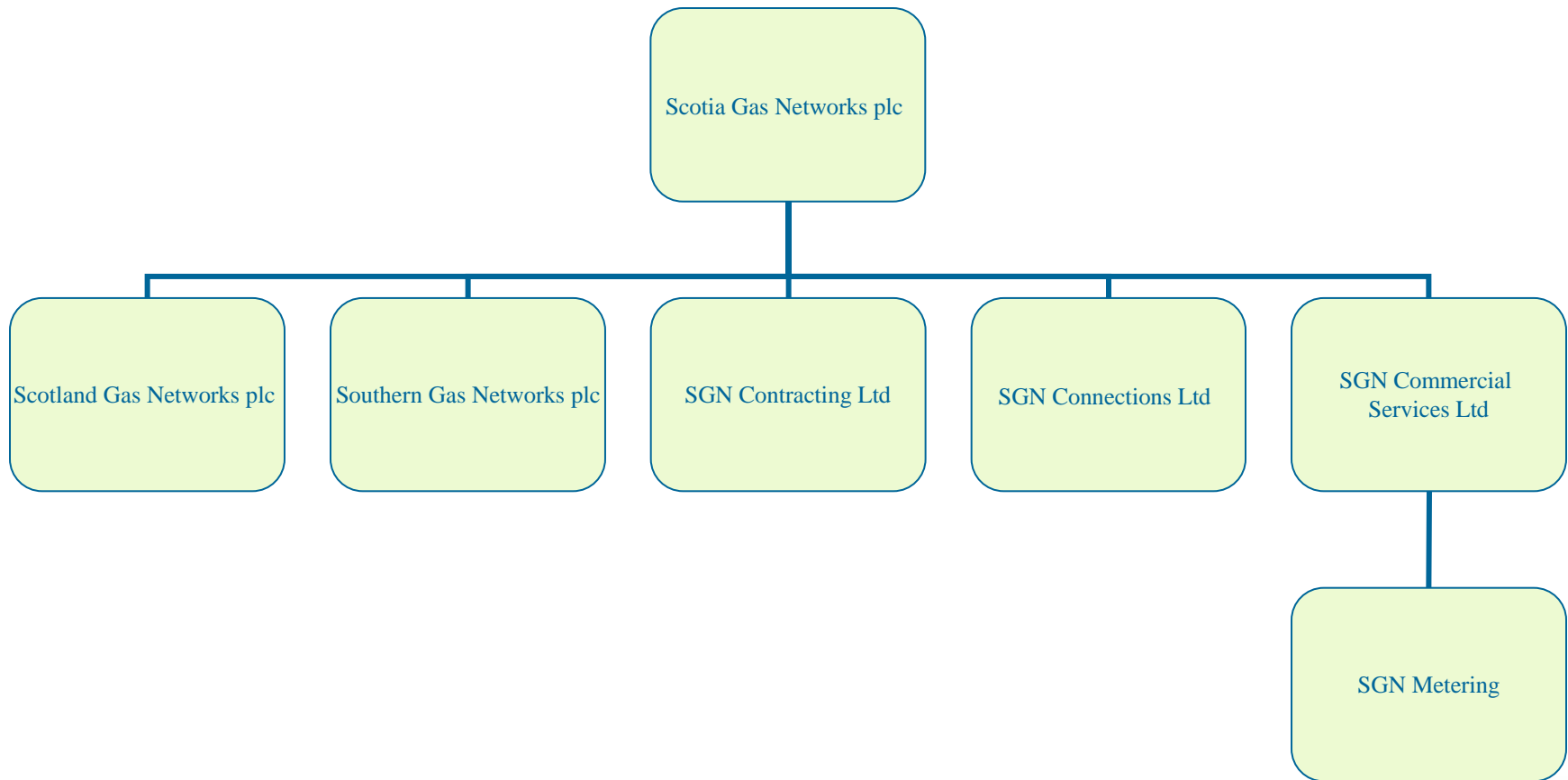
Background

- SOMSA
 - System Operator Managed Service agreement.
 - A contract between the Network Owners and NGG for Network Control activities
 - The service is carried out by NGG, DNCC at Hinckley
 - This was set up in 2005 prior to Network Sales

SOMSA Exit Why Change?

- Compliance with conditions of sale; taking Network Control.
- Improved Network Management – Control Organisation embedded within SGN.
- Fit with the SGN organisational model post Autumn 2008 and the strategic plan.
- Better service delivery to our customers; no middle man.

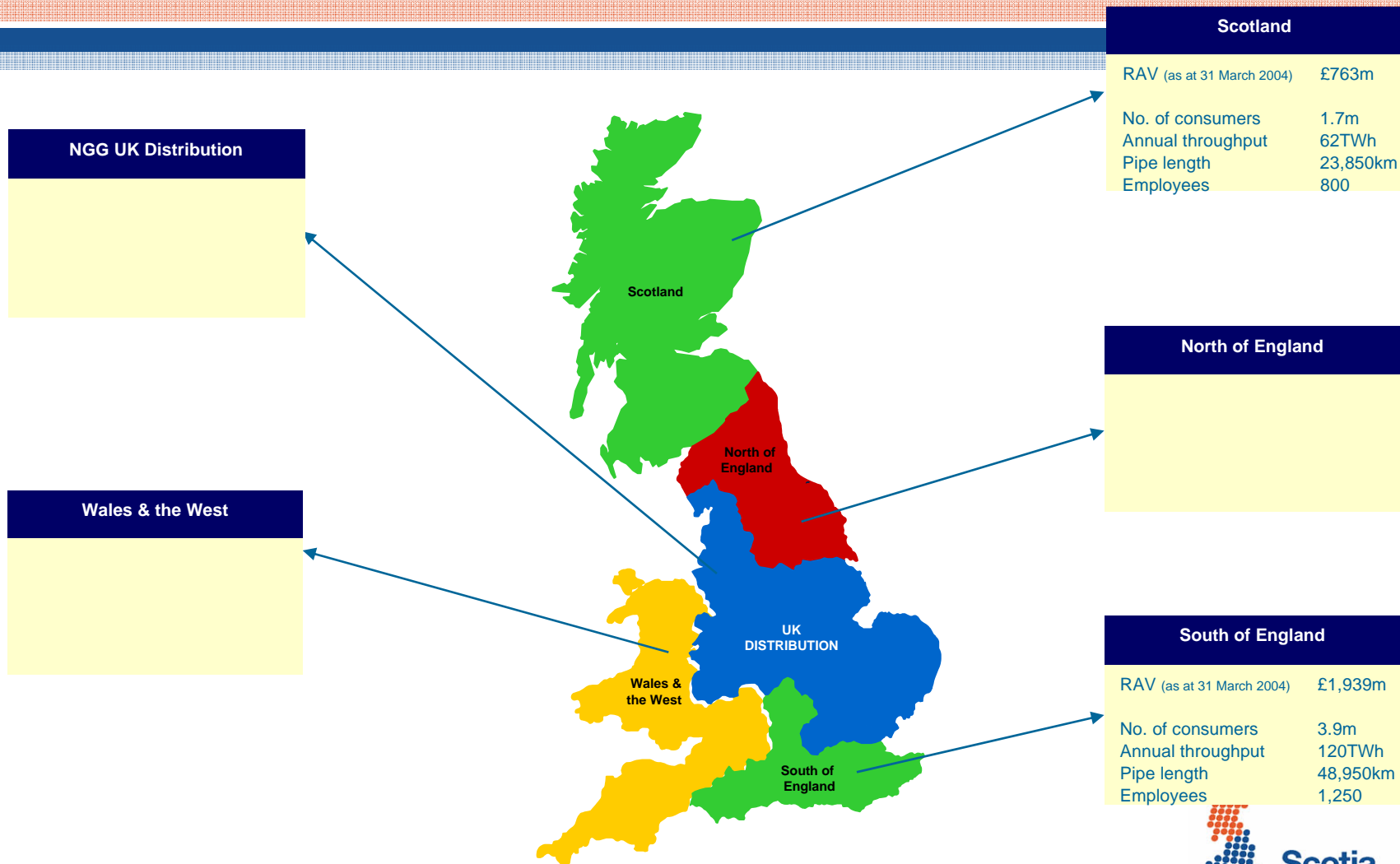
SGN business - Our organisation



Our primary focus In Southern England

- SGN transporters gas within 3 LDZs
- South East
- South
- Scotland
- We deliver gas to some 5.7 million consumers in total.
- We have combined pipeline length of approximately 74000km
- we respond to all gas emergency within these 3 LDZs

The UK Shape of Gas Distribution



Current SGN situation

- SGN took direct control of its Networks in late October 2008
- We communicated this to all 3rd Parties of this change, but we had some problems with contact information.
- We now undertake all the activities that previously were done on our behalf by National Grid DNCC.
- We continue to evolve our organisation with increasing experience.

Communications links

- **Business as usual!**
- SGN have purchased and will use ANS; this has already been tested and subsequently used in Exercise Prelude.
- Interruption will be via the same systems as used in National Grid Distribution
- Interruption contacts/ emergency exercises etc for SGN LDZs will be via SGN Gas Control, contact numbers already supplied.
- Some issues experienced during Prelude with Shipper contacts need to be addressed post exercise.
- SGN already have a shipper liaison section ensuring we communicate effectively.

Situation with other iDNs

- SGN has set up its Control (SO) centre
- The other 2 iDNs will be doing so over the next 18 months
- Northern Gas Networks are planning to be operational from next Summer (2009)
- Wales and Wales Utilities are planning similarly for Autumn 2009
- NGG will then be operating their retained Networks/LDZs only.
- Communications to all relevant parties from the individual DN companies will be carried out when dates of migration are confirmed.

Interruption processes

- As you know the Interruption process is changing from 2011 (Mod 90)
- The existing process of customer Interruptible contracts will remain until that time
- This means that we will if necessary invoke interruption on high demand days as per current practice.
- Failure to Interrupt penalties remain.

