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21 November 2005

Julian Majdanski
UNC Modification Panel Secretary
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
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Dear Julian

Draft Modification Report: 0062: Provision of Interruption Information

Thank you for providing Scottish and Southern Energy plc (SSE) with the opportunity to comment on the above urgent modification proposal.

The Modification Proposal

NG NTS has proposed that the GBA would be issued day ahead when forecast demands at 1400 hours or 0200 hours for the following day are likely to exceed anticipated available supplies (adjusted to take account of storage stock levels relative to the relevant Safety Monitor).

SSE is generally supportive of the proposal. SSE is pleased to see the concept of a "Gas NISM" being adopted, but considers that there are a number of areas where it could be improved.

1.

It would appear under this proposal that the GBA would not be revoked and would therefore remain in force for the duration of the Gas Day, irrespective of any subsequent change in the overall supply/demand position. Whilst we note that the 11 November Transmission Workstream meeting minutes indicate that any response to the GBA would be incorporated within updates of the webpage, such an approach would appear to be limiting the information available to the market. This is a completely different approach to the power market where frequent updates are received on the status of NISMs.

2.

We also query why a GBA would only be issued following the D-1 demand forecasts at 1400 hours or 0200 hours. This seems to rather limit the potential of the GBA to provide triggers/signals to the market as we understood the primary objective of the GBA is to provide that signal. Furthermore, NG NTS will be looking at the supply/demand situation constantly and would, we have thought, not wish to be so restricted in its ability to issue the GBA, particularly when the GBA need not necessarily trigger or oblige NG NTS to actually take any balancing action itself.

3.

NG NTS has also invited views on whether the GBA should be issued within day as well. We believe that this would be appropriate, and is particularly relevant if NG NTS is hoping to encourage multiple day offers on the OCM or OTC. We note with interest comments that a

within day signal would be of little use to major consumers as the preference is for several hours' notice, or even day ahead notice in order that they might provide demand side response. This is not the case for all parties and we do not believe that this should preclude NG NTS from issuing a GBA within day. Clearly if a GBA is required within day this potentially represents a rapid deterioration of the supply/demand situation that parties should be made aware of as soon as possible.

4.

If the GBA is being issued on D-1 but the trigger for depletion of storage stocks is D-2, the GBA may be too late to avoid declaration of a Stage 1 GSMR monitor breach.

5.

We understand that NG NTS is proposing to continue with ANS, but are surprised that text and email options for communicating with shippers are still being investigated.

In summary, SSE confirms its support for implementation of the proposal.

Yours sincerely

Jeff Chandler
Energy Strategy