

John Bradley
UNC Modification Panel Secretary
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
B91 3QJ

Telephone: 01738 457909

E:mail: Jeff.Chandler@
scottish-southern.co.uk

Date : 16 Mar 09

Dear John,

Modification Proposal 0243

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

SSE is supportive of proposal 0243. However, we are disappointed by the short consultation timescale but recognise that this is required to fit in with implementation of modification 195AV.

Modification 0195AV determines that the initial enduring capacity allocations will be notified to each user by 1 May 2009. Modification Proposal 0243 aims to delay this process for the Moffat NTS Exit Point only, until at the latest 1 May 2011. This will allow time for a mechanism to be established and used to manage the existing capacity certification methodology that matches gas traded volumes with upstream and downstream capacity booking levels.

The proposer claims that this proposal will not provide a commercial advantage for any of the established Moffat Users and SSE urge Ofgem to satisfy themselves that this is the case.

This proposal seeks to treat a single offtake point differently from other direct connects because of the complexity of the arrangements downstream of the offtake. SSE believes that where necessary users should be treated differently and this should not be considered unduly discriminatory. However, other offtakes such as storage and interconnectors have a potential issue where shippers require capacity in Oct 2012 that will be different from that which will be assigned at initialisation. There are a number of mechanisms within 195AV to manage this situation: aggregate overrun, assignment provisions, trading of capacity and the appointment of an agent to manage capacity bookings. SSE wonder if one of these mechanisms could have been used to manage the issue at the Moffat exit point.

Please do not hesitate to give me a call if you wish to discuss this further.

Yours sincerely

Jeff Chandler
Gas Strategy Manager
Energy Strategy