

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

E:mail: [Jeff.Chandler@scottish-southern.co.uk](mailto:Jeff.Chandler@scottish-southern.co.uk)

Date : 8 Jan 2010

Dear John,

### **Modification Proposal 0276**

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

SSE is not supportive of proposal 0276. This proposal is similar to Modification Proposal 0263 except that National Grid Gas considers that this is a User Pays Proposal.

After implementation of enduring exit reform through Modification 195AV, it is not possible for an Assignor User to assign, or an Assignee User to receive, a partial holding of capacity, but it is possible to wholly assign capacity. SSE believes this oversight to be unnecessarily restrictive and not conducive to the efficient utilisation of capacity particularly at interconnectors, storage facilities and shared supply points.

SSE does not agree with the Proposer that this is a User Pays Modification Proposal. This Proposal is a key part of exit reform that was omitted from mod 195AV. There will no doubt be more Proposals raised in the future associated with exit reform that were not fully developed or anticipated during discussions of Proposal 195 AV and the IExCR. However, SSE's view is that any such omissions that are related to exit reform should not be User Pays because this was to be funded by Transporters as part of GDN sales.

We are surprised at the magnitude of the Rough Order of Magnitude costs. The indicative maximum cost of 0.01775 p/kWh is in excess of the actual TO Exit Capacity Charges at a number of exit offtakes. Any additional charge for partial assignment at this level of magnitude will discourage efficient and economic assignment of capacity as it might be cheaper to signal new incremental capacity.

SSE agrees with the Proposer that implementation of the proposed Modification would better facilitate the relevant objectives as detailed in the Modification Proposal.

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

Yours sincerely

Jeff Chandler  
Fuel Strategy Manager  
Energy Strategy