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Our Reference:
Your Reference:

[Date 16 March 2011](#)

Dear Tim,

Modification Proposal 0348

Thank you for providing SSE with the opportunity to comment on the above Modification Proposal.

SSE is not supportive of proposal 0348.

SSE do not believe that this proposal if implemented will better facilitate the achievement of relevant objective B.

This proposal would remove the option for a Shipper to be charged the Short Haul Tariff (Optional Commodity Charge) when delivering gas over short distances and “parking” the gas into a storage facility between the original supply and final offtake point.

The removal of this option would re-introduce the incentive on Shippers to invest in their own pipeline assets to bypass the NTS and avoid higher transportation charges. This would lead to lower throughput and inefficient usage of the NTS and result in higher charges to all other Shippers as the same allowed revenue has to be recovered.

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

Yours sincerely

Jeff Chandler
Head of Fuel Strategy
Strategy & Regulation