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Date : 30 April 2010

Your Reference:

Dear John,

Modification Proposal 0290

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

SSE is supportive of proposal 0290.

NG NTS proposes to release additional Annual NTS Exit (Flat) Capacity at its discretion for use in Gas Year Y+1, Y+2 or Y+3, where the aggregate quantity applied for is greater than the Remaining Available Capacity.

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

However, SSE does not agree with the proposed User Pays cost split, which is 50 % Transporters & 50 % Shippers (albeit that the current cost estimate is zero). Costs to Shippers will be based on the proportion of total capacity holdings held as at October 2012. SSE believes that these proposed changes result from Exit reform implementation and consequently costs should be incurred by the Transporter whom has already been funded through the DN sales process.

Please do not hesitate to contact me if you wish to discuss this further.

Yours sincerely

Jeff Chandler
Head of Fuel Strategy
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