

Grampian House  
200 Dunkeld Road  
Perth  
PH1 3GH

Direct Tel: 01738 457377

Direct Fax: 01738 456194

Email: [garth.graham@scottish-southern.co.uk](mailto:garth.graham@scottish-southern.co.uk)

14 November 2006

Julian Majdanski  
Secretary Modification Panel  
NGT House  
First Floor, D3  
Warwick Technology Park  
Gallows Hill  
Warwick  
C34 6DA

Dear Julian

**Draft Modification Report 0735: Amendment to the minimum notice required for UK Link changes**

Thank you for providing Scottish and Southern Energy plc with the opportunity to comment on the above draft modification report.

SSE notes the comments contained in the Draft Modification Report. Generally we believe that there are learning opportunities that can be applied from the one market area (electricity) to another market area (gas); an example of which would be the cross-industry working group recently established by Ofgem to look at Cashout arrangements in the electricity and gas markets.

It seems that Transco is suggesting, in Section 2, that a new precedent should be followed, namely that as "the proposal is a change to working practice rather than a change to Network Code" it is not required. This does not seem to us to be a suitable way forward. As with many things within our industry, what may be a 'simple' "working practice" may only be effectively changed by way of a modification to the Network Code. We would welcome any constructive comments from Transco as to how a market participant could amend the appropriate "working practice" to achieve what is proposed in 0735, whilst ensuring that it is put into effect in a way that all conform with.

We note the comments contained in Section 3 (and alluded to in Section 4 b) of the Draft Modification Report, namely that "Transco does not agree with this statement as it is felt that by moving to a fixed release schedule will create unavoidable periods of peak workload". However, a counter view is that the current approach leaves market participants exposed to meeting these unplanned requirement associated with such peak loads of demand; whereas 0735 would enable all stakeholders to plan and operate more effectively to achieve the date scheduled months in advance. The most

appropriate comparison is with the electricity market (similar stakeholders and processes involved). We believe that the Authority would benefit from Transco seeking comments from, in particular, Elexon, on the benefits that have been achieved for electricity consumers from adopting this (0735) approach so that these benefits can be achieved for gas consumers.

We note the comments contained in Section 3 of the Draft Modification Report, namely that "the scope of SPAA does not fit with the Network Code Manual, with SPAA being smaller. It does not seem a logical argument that you change the larger scope to fit with the smaller". However, if one followed that logic, as the Network Code is larger than practically all other industry documents, including the Acts of Parliament governing the industry, then the Network Code would generally prevail. It is our view that at the end of the day the scope should be "fit for purpose" and that Transco should base its approach on the quality of the scope not the quantity of the scope; 'small' or 'large' is not the hurdle to use, getting it right is.

In respect of the first "Disadvantage" noted in Section 10, allowing the UK Link Committee to reduce the time period is a sensible suggestion that permits changes associated with an Urgent Modification to be implemented. It does not distract from the stated benefits, as it should be expected that the vast majority of Modifications will be implemented via the 'batch' approach envisaged by this 0735 Modification.

Yours sincerely

Garth Graham  
Market Development