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Julian Majdanski  
UNC Modification Panel Secretary  
Joint Office of Gas Transporters  
Ground Floor Red  
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Dear Julian

**Urgent Modification Proposal 0052: Storage Withdrawal Curtailment Trade Arrangements in an Emergency**

SSE Hornsea Ltd (SSEHL) has followed recent developments centred on changes made to the NEC's Safety Case after the implementation of Modification 710 "Removal of Top-up Arrangements" with increasing concern. It would appear that the NEC made the change to its Safety Case in response to legal advice it received concerning its duties following a Safety Monitor breach. Specifically that it would not be acceptable for the NEC to allow gas to continue to flow from affected storage facilities where it was clear that the Safety Monitor had been, or was about to be breached. It is regrettable that the change made to the Safety Case in response to this legal advice has undermined the central tenet on which the removal of Top-up rested.

SSEHL of course, recognises that storage provides a natural fit with the requirement to maintain reserves and would have an important role supporting the NEC in a Supply Emergency. However, we believe that NG should negotiate the provision of these services and not simply impose obligations on the owners, operators and users of gas storage facilities. Indeed, we are alarmed that storage users who secured storage capacity prior to the change to the Safety Case now find themselves facing an unlimited financial exposure. It is ridiculous that future investment in storage should be so undermined when the NEC have set it as the cornerstone of their Safety Case.

In the context of the above, SSEHL supports Modification Proposal 0052 on the basis that it will provide some mitigation of the potentially considerable financial risk that storage users would otherwise face as a result of any storage withdrawal curtailment. We strongly agree with the proposer's assertion that in the absence of this change, the Safety Case discriminates against storage, reduces its value to users and will ultimately, discourage investment in new projects and prejudice security of supply.

On the whole, we believe that the arrangements detailed within the proposal are workable and agree that adopting the 30 Day SAP as the SWCQ trade price should provide an appropriate level of compensation to storage users. We would however, point out that there may be a conflict between the input allocation principles described in the proposal and those in existing contracts between Storage Operators and Users which would need to be resolved before implementation.

Yours sincerely

Duncan Williams  
Commercial Operations Manager