

Scottish & Southern Energy  
Grampian House  
200 Dunkeld Road  
Perth  
PH1 3GH  
Direct Tel: 01738 457909  
Direct Fax: 01738 456194  
Email: Jeff.chandler@scottish-southern.co.uk  
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Julian Majdanski  
UNC Modification Panel Secretary  
Joint Office of Gas Transporters  
Ground Floor Red  
51 Homer Road  
Solihull  
B91 3QJ

Dear Julian

**Modification Proposal 0125**

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 this proposal.

NG NTS has stated that the costs of provision of collateral for the Residual Balancer role, based on historic use and dependent on gas costs and the extent of the Residual Balancer role, are currently estimated to be in the range of £30,000 to £50,000 per annum. SSE would like further information provided so that it can understand how this cost is derived.

SSE are unable to support this mod as we feel that the Draft Modification Report is insufficiently clear and more information is required for clarity and transparency.

NG NTS detailed that the charge would be passed through as part of the Neutrality smear and not as a separate line on the invoice. Shippers would therefore not have transparency on the portion of the charge relating to the residual balancers costs or have anyway in which to validate the charge.

Yours sincerely

Jeff Chandler  
Energy Strategy