

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
12 January 2006

Julian Majdanski
UNC Modification Panel Secretary
Joint Office of Gas Transporters
Ground Floor Red
51 Homer Road
Solihull
B91 3QJ

Dear Julian

Modification Proposal 0129

Thank you for providing Scottish and Southern Energy plc (SSE) with the opportunity to comment on the above modification proposal.

SSE is supportive of this proposal.

SSE agree that the proposal will better align the amount of unsold capacity to be released in capacity auctions with the anticipated capability of the system as assessed by Ofgem in the final proposals of the TPCR.

If this proposal were not implemented Users would be able to purchase capacity in the Q1 2007 auctions that are above the potential new baselines for the new price control period. This would increase the risk of buy back from speculative position takers when a known constraint could be implemented.

SSE consider this proposal to better facilitate the economic and efficient operation of the NTS pipeline, particularly in the case of ASEPs where the amount of unsold capacity will reduce. This proposal will protect shippers and customers from excessive buy back costs that may otherwise accrue from the sale of such capacity.

Yours sincerely

Jeff Chandler
Energy Strategy