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5 June 2007

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

Dear Julian

### **Modification Proposal 0143**

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 believe that reducing the lapse periods in respect of failure notices for Energy Balancing Credit will help curtail exposure to avoidable financial loss.

SSE considers this Proposal would, if implemented, better facilitate the following Relevant Objectives as set out in National Grid NTS's Gas Transporters Licence in respect of:

- Standard Special Condition A11 paragraph 1(a), (the efficient & economic operation of the pipeline system), the Proposal would be expected to either reduce the extent by which a User would be out-of-balance on the Days following the issue of a Failure to Pay Cash Call Notice, or would reduce the period over which a User that is unable to balance its portfolio is able to continue to participate in the market. These outcomes would be expected to reduce the extent and/or duration of National Grid NTS' actions as the residual system balancer and hence facilitate the achievement of this objective;
- Standard Special Condition A11 paragraph 1(d), the Proposal would be expected to reduce the level of risk faced by Users. Reducing the risk of financial loss to the Shipper community resulting from the operation of the Energy Balancing regime would be expected to facilitate the securing of effective competition between Shippers; and

- Standard Special Condition A11.1 (f), (the promotion of efficiency in the implementation and administration of the network code), implementation of this Modification Proposal should help to ensure that best practice measures are in place to minimise the impact on the industry of User failure.

Yours sincerely

Jeff Chandler  
Gas Strategy Manager  
Energy Strategy