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28 June 2007

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

Modification Proposal 0145

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

SSE is generally supportive of the underlying principles behind the above Mod; following Ofgem Best Practice Guidelines – lowering the amount of security that needs to be provided and reducing barriers to entry.

However, SSE is not supportive of the above Proposal. The proposal provides Transporters with no mechanism by which they can ensure Users remain within their credit limits as security can only be requested once the exposure has exceeded the value of the security provided. We do not believe this furthers the relevant objectives.

Once the measure of VAR exceeds 100%, and additional security is placed outwith the required 2 business day window a reduced limit of 80 % is applied for the next 12 months. Although a prudent measure, SSE seeks further understanding on what would happen if the new lower 80% measure was subsequently breached within the 12-month window.

Yours sincerely

Jeff Chandler
Gas Strategy Manager
Energy Strategy