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Our Reference:

Your Reference:

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Dear Julian,

Modification Proposal 0170

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

SSE is not supportive of 0170.

SSE believes that circumventing the credit rules presents an unacceptable level of credit risk to the shipper community. This Proposal would also allow any non-code party, to participate in the QSEC auctions, thereby further extending potential credit risk to the community.

In the event that a non-code party defaults on payment for the entry capacity they have booked in the QSEC auction, the cost will be passed to the rest of the shipping community. The QSEC auctions can involve significant value and it is critical that robust credit checking processes are carried out. This Proposal would reduce the time available for implementing these checks and consequently exposes the community to potentially unnecessary risk.

Yours sincerely

Jeff Chandler
Gas Strategy Manager
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