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Dear John,

Modification Proposal 0247 -Alignment Of Interruption Application Rules for Annual and Ad-Hoc Applications

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

SSE is supportive of proposal 0247.

This proposal seeks to align the business rules which Distribution Networks can operate when seeking bids from Users for Interruptible rights on their Gas Distribution Network. Currently, gas years Y+4 to Y+8 are only in the Annual Interruption Invitation, whereas an Ad-Hoc Interruption Invitation can seek bids from any year.

The specific change this proposal seeks is to allow Interruption Offers in respect of Gas Years Y+1 to Y+3 in the Annual Interruption Invitation (June 2009 and every year thereafter).

This proposed alignment of timeframes, will allow Distribution Networks the option of securing bids in one application invitation for years Y+1 to Y+8. In the absence of this proposal, two separate processes would be required.

SSE believes that the proposal will better facilitate the relevant objectives of Standard Special condition A11.1:

(a), the efficient and economic operation of the pipeline system, this Proposal would give Distribution Networks as much time as possible to potentially accept Interruption bids in the Y+1 to Y+3 timeframe, and as a result not have to reinforce its Network. This would avoid inefficient and unnecessary capital expenditure.

(f), the promotion of efficiency in the implementation and administration of the network code or the uniform network code would be improved by the implementation of this proposal. This Proposal would avoid 2 separate Interruption Applications being run where the decision to accept a bid from one application, might be contingent on receiving another bid not yet made available to Users to bid for.

Please do not hesitate to give me a call if you wish to discuss this further.

Yours sincerely

Jeff Chandler
Gas Strategy Manager
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