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Our Reference:

Your Reference:

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Dear Martin,

The Entry Capacity Transfer & Trade Methodology Statement

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

Key to the amount of capacity made available for Trade & transfer covered by this methodology are the assumptions. SSE has no way of knowing if these assumptions are representative of the network and are optimal.

SSE has been supportive of the requests for an independent review and formally makes this request again. The assumptions that SSE would like to be confirmed as appropriate, without releasing commercially sensitive data, are the:

- Demand levels
- Exchange rates
- Stability limits
- TBE “flexed scenarios”
- Definition of “avoid material increase in costs”

Once SSE has been given comfort from the external review that the assumptions are appropriate we would be supportive of the methodology. Until then SSE is unable to have confidence in the assumptions and as a result the methodology.

On a separate point SSE would question the reason and value for having a separate methodology statement. SSE would see value in having the methodology text included in the UNC as part of a modification proposal, thereby, ensuring a single source for documents that impact on the industry.

Yours sincerely

Jeff Chandler
Gas Strategy Manager
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