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Our Reference:
Your Reference:

Date : 15 May 09

Dear Eddie,

**Consultation Document NTS GCM 15:
User Commitment & Entry Capacity Cancellation Fees**

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

SSE is supportive of consultation GCM015.

If as a result of implementation of mod proposal 246 or 0246A then it will be necessary to include the “cancellation fee” in the Gas Transmission Transportation Charging Methodology. However, if mod proposal 246B were implemented we would expect a revised charging consultation.

This proposal would ensure that revenue recovered from Users from entry capacity cancellation fees would offset other appropriate transportation charges. For example,

Cancellation fees associated with:

- baseline entry capacity would result in reduced TO Entry Commodity Charges,
- incremental and non-obligated entry capacity would result in reduced SO Commodity Charges (Entry & Exit)

If you would like to discuss any of the above points please do not hesitate to contact me.

Yours sincerely

Jeff Chandler
Gas Strategy Manager
Energy Strategy