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Jan Gascoigne
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Dear Jan

IECR Methodology Statement

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

SSE has responded to Charging Consultation GCM06 and it does not support the proposal to include spare capacity in the Transportation model when calculating entry capacity charges. Spare capacity is included implicitly by using maximum forecast base case flows rather than obligated levels of capacity. The use of forecast flow numbers introduces subjectivity into the setting of charges, this was one of the main reasons for rejecting the Transcost model and implementing the Transportation model.

SSE therefore does not support discounting the P_o price and subsequent incremental steps where there is "spare" capacity.

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