

## Representation

### Draft Modification Report

#### 0454: Introduction of a Long Term Non Firm Capacity Product

**Consultation close out date:** 12 December 2013  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** RWE Supply & Trading GmbH  
**Representative:** Charles Ruffell  
**Date of Representation:** 12<sup>th</sup> December 2013

#### Do you support or oppose implementation?

Qualified Support

#### Please summarise (in one paragraph) the key reason(s) for your support/opposition.

We recognise that misalignment in timescales between developers' projects and National Grid NTS' completion of network reinforcement could lead to a position where firm capacity delivery dates may be beyond when a customer requires access to the NTS. The proposed Long-Term Non-Firm Capacity Product for both NTS Entry and Exit Capacity provides a flexible mechanism to bridge this gap and we believe that in the circumstance where a customer's first gas flow date is earlier than the effective date for incremental capacity release it may be of value.

We qualify our support for this modification proposal because this product may only be released where capacity has been allocated (or reserved) following receipt of an incremental signal for enduring capacity. On this basis and as firm charges are payable, we believe that these charges should contribute to the User Commitment. As drafted, the LTNF product revenues are excluded from the calculation of when User Commitment is discharged. As National Grid NTS has identified that implementation of 0454 will necessitate changes to a number of other documents the issue of User Commitment should be included in this wider change process.

#### Are there any new or additional issues that you believe should be recorded in the Modification Report?

None.

#### Relevant Objectives:

*How would implementation of this modification impact the relevant objectives?*

We agree implementation will have a positive impact on Code  
Relevant Objective(s)

d) Securing of effective competition:

0454  
Representation  
12 December 2013

Version 1.0

Page 1 of 3

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- (i) between relevant shippers;
- (ii) between relevant suppliers; and/or
- (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

The main benefit is as identified in the DMR, that 0454 would facilitate earlier access to both entry and exit capacity.

We agree implementation will have a negative impact on Code Relevant Objective(s)

g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.

What is unclear to us is whether the requirement to price interruptible connections on the basis of the probability of interruption applies to all domestic points or IPs and therefore the significance that this has in assessment of 0454.

### **Impacts and Costs:**

*What analysis, development and ongoing costs would you face if this modification were implemented?*

The release of LTNF capacity will interact with the availability of off-peak and interruptible capacity and will affect the probability of interruption. Users will have to assess these impacts.

### **Implementation:**

*What lead-time would you wish to see prior to this modification being implemented, and why?*

We would like the implementation date to reflect the extent of changes to other industry documents and the associated workload. This includes our concerns about User Commitment set out earlier.

### **Legal Text:**

*Are you satisfied that the legal text and the proposed ACS (see [www.gasgovernance.co.uk/proposedACS](http://www.gasgovernance.co.uk/proposedACS)) will deliver the intent of the modification?*

Yes, although for completeness we would like to review the text alongside the relevant updated industry documents.

### **Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*

Not at this time.

0454

Representation

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12 December 2013

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Version 1.0

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Page 3 of 3

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