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Re: UNC Modification Proposal 0287 – Change System Capacity Transfers Notification Time Limit from 04:00 hours to 03:00 hours

Dear Tim

Thank you for your invitation seeking representations with respect to the above Modification Proposal. As proposer, National Grid NTS supports implementation of Modification Proposal 0287.

Rationale

National Grid NTS supports the principles outlined within Modification Proposal 0287 and the view that this Proposal falls under the User Pays arrangements. The User Pays service that is being proposed in this Modification Proposal is the development and implementation necessary to enable National Grid NTS to fully utilise the 60 minute window to either approve or reject the transfer prior to the Planned UK Link Downtime.

It is National Grid NTS' view that Modification Proposal 0195AV implemented NTS Exit Reform and as such satisfies National Grid NTS' obligation to introduce Exit Reform and that any Proposal introducing additional changes to the Exit Regime should be treated as any other incremental change/addition to the services provided by xoserve and as such a User Pays Proposal.

Extent to which implementation of Modification Proposal 0287 would better facilitate the achievement (for the purpose of each Transporters' Licence) of the relevant objectives

National Grid NTS considers this Proposal would, if implemented, better facilitate the following Relevant Objectives as set out in its Gas Transporters Licence:

- ***Standard Special Condition A11.1(a): the efficient and economic operation of the pipeline system to which this licence relates;*** For the reasons given below, the Proposer believes that this Proposal will better facilitate relevant objectives A11.1 (a):

National Grid NTS would be able to consider the proposed System Capacity Transfer and reject where appropriate (under current UNC conditions). Therefore, it would better facilitate the economic, efficient operation of the NTS by allowing National Grid NTS to monitor whether a Transferor's User's Available System Capacity is not exceeded for either Firm NTS Entry Capacity or NTS Exit (Flat) Capacity and assess the impact the Transfer has on the NTS.

- ***Standard Special Condition A11.1 (d): so far as is consistent with subparagraphs (a) to (c) the securing of effective competition: (i) between relevant shippers;*** For the reasons given below, the Proposer believes that this Proposal will better facilitate relevant objectives A11.1 (d):

Under the current UNC rules those Shippers that notify National Grid NTS of a Transfer at 04:00 hours can do so without concern that National Grid NTS can reject the Transfer however those Shippers that notify National Grid NTS prior to 04:00 hours are not treated in

the same way. Amending the Notification Time Limit ensures that all shipper Transfers will be treated in the same manner irrespective of the time at which they have notified National Grid NTS.

- **Standard Special Condition A11.1 (f): so far as is consistent with subparagraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code;** For the reasons given below, the Proposer believes that this Proposal will better facilitate relevant objectives A11.1 (f):

It would improve the efficiency in the administration of the UNC by clarifying the UNC rules with regards to the withdrawal of NTS Exit (Flat) Capacity transfers, ensuring consistent treatment of withdrawal requests.

It would also improve the efficiency in the administration of the UNC as this proposal will enable National Grid NTS to fully utilise the 60 minute window to either approve or reject the transfer prior to the Planned UK link downtime.

A System Capacity Transfer may be for any Day or consecutive Days within the period that a Transferor User holds such capacity. In order to complete the System Capacity Transfer, the Transferor User and the Transferee User are required under the UNC, to provide National Grid NTS* with specific information.

Once the Transferor User and the Transferee User provide the information to National Grid NTS the System Capacity Transfer will be effective if, within the 60 minute window:

- the System Capacity Transfer is approved by National Grid NTS; or
- the System Capacity Transfer is not rejected by National Grid NTS.

UNC TPD B5.2.2 stipulates that Users are permitted to propose a System Capacity Transfer at any point during a Day but no later than 04:00 hours on the Day or first Day of the Transfer Period (the Notification Time Limit). However, parts of the UK Link system (including Gemini), will not be operational at certain times and for certain periods ("Planned UK Link Downtime"). The Planned UK Link Downtime occurs between 04:00 hours and 06:00 hours on each Day and directly impacts on National Grid NTS' ability to either approve or reject a System Capacity Transfer. By virtue of this downtime National Grid NTS will not have a 60 minute window to either approve or not reject the transfer and may not be able to comply with its obligations under the UNC. By amending the Notification Time Limit to 03:00 hours National Grid NTS will be able to fully comply with its UNC obligations.

If you have any questions, please do not hesitate to contact me.

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