

Representation For. 0046

"Extension of the Sunset Clauses for Registration of Capacity at NTS Exit Points"
Version 0.2

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Slant: For
Strictly Confidential: No

Abstract

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Julian Majdanski
UNC Modification Panel Secretary
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Dear Julian

Draft Modification Report: 0046: Extension of the Sunset Clauses for Registration of Capacity at NTS Exit Points

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

As requested, we have structured our response to match the headings in the report.

1. The Modification Proposal

We agree that following the Authority's announcement that there would be a delay to the implementation of the Enduring Arrangements for NTS exit capacity, there is a need to introduce Transitional Arrangements into the UNC to provide for the intervening period. Such arrangements would enable the DNs to signal their capacity requirements to Transco NTS at their NTS/DN offtakes. In addition, Shipper Users would be able to continue to signal their needs to Transco NTS at NTS Supply Points and CSEPs.

We are therefore supportive of the proposal that the UNC be modified to extend the current arrangements for Firm Capacity Applications until 30 September 2010. We also agree that the NTS Offtake Capacity Registration process should be extended on the same timescale.

2. Extent to which implementation of the proposed modification would better facilitate the relevant objectives

We agree with the proposer that if implemented the proposal would better facilitate the following relevant objectives:

Standard Special Condition A.11.1(a) the efficient and economic operation of the NTS pipeline system

by enabling Shipper Users and Transporters to continue to signal their capacity requirements at NTS offtakes; and

Standard Special Condition A.11.1.(b) the co-ordinated efficient and economic operation of the combined pipeline system and the pipeline system of one or more other relevant gas transporters

by enabling all Transporters to determine the relevant amounts of NTS Offtake Capacity required in order that they can meet their statutory planning obligations, ensure the efficient and economic operation and development of their networks and to ensure security of supply. This would also facilitate Standard Special Condition A11.1 (c) the efficient discharge of the licensee's obligations under this licence.

3. Implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation

We consider implementation of the proposal would be beneficial to security of supply and the operation of the Total System as the Transporters will be able to make planning and investment decisions on their respective networks. This will enhance their ability to meet all reasonable demand for gas thereby satisfying their licence (Standard Special Conditions A17 and A9) and statutory obligations.

7. The implications of implementing the Modification Proposal for Users

We do not believe that there are any additional risks or costs for Users associated with implementing the proposal.

8. The implications of implementing the Modification Proposal for Consumers etc

Implementation of the proposal ought to provide greater certainty for all parties as they will have the ability to signal their NTS Exit Capacity needs out to 30 September 2010.

10. Advantages of the proposal

We agree with the advantages advocated by the proposer for the Transporters.

Proposed legal text

We have a few minor comments on the proposed legal text.

Section B

The reference to amending 3.9.1(b)(ii) should be to 3.9.3 (b)(ii).

Section J

2.5.4(b) should read “in relation to”

2.5.7 should the “is” in line 4 read “are”?

Transition Document

1.6.1 We suggest that the last line should read “in accordance with this Section B6”

1.6.3 After “009” we suggest that the words “in relation to each NTS/LDZ Offtake” are inserted.

1.7.2 should the “is” in line 3 read “are”?

Summary

In summary, SSE confirms its support for implementation of the proposal.

I hope that our comments have been helpful. Please do not hesitate to contact me in the first instance if you wish to discuss any of the points raised in our response.

Yours sincerely

Katherine Marshall
Market Development