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Dear Julian,

Representation for Modification Proposal 0195 / 0195A: Introduction of Enduring NTS Exit Capacity Arrangements

WWU supports implementation of either Modification Proposal 0195 or alternative Modification Proposal 0195A. We are not able to provide a ranking to compare 0195 and 0195A with the 0116 suite of Modification Proposals. Review Group 0166 used 0116V as a starting point to development and therefore the output of this review has superseded the original Modification. For the avoidance of doubt, we no longer support the implementation of any of the 0116 suite of Modification Proposals.

WWU believes that DN and Shipper User arrangements need not be identical as they should be able to reflect the different nature and requirements of User groups. Thus different arrangements can be appropriate providing these arrangements do not unnecessarily compromise one party or group of Users, relative to the other. Both Modification Proposal 0195 and 0195A propose different arrangements in respect of the capacity products and booking arrangements. The off peak product offered under 0195A can not be utilised by DN Users and we believe these arrangements are entirely appropriate. As this is the differentiating element between the 2 proposals, we do not offer any particular view or preference for one proposal relative to another. It is appropriate for Shippers to comment on the merits of this aspect that distinguishes 0195A from 0195.

We believe that both Modification Proposal 0195 and 0195A offer a pragmatic and efficient enduring solution for offtake reform. They allow Users to signal and secure the range of long term, medium term and short term capacity products whilst providing NTS with the information they require to develop and operate the system in the most economic and efficient manner possible. A significant amount of industry time and effort has been focused on developing and analysing potential arrangements over several years. It has proven very difficult to develop efficient arrangements which address the concerns of all interested parties. In the meantime interim and transitional arrangements have been extended on several occasions, increasing uncertainty and risk for participants. We are keen that reform of NTS offtake arrangements is brought to a close. Modification Proposal 0195 and 0195A have been developed with the consensus of Review Group 166 and they provide a stable platform from which market participants can move forward.



Having stated our support for either Modification Proposal, we must comment that we are particularly concerned about the credit requirements they contain. They state that VAR will take account of any payments due in the following 12 months. This is a significant change for DN Users and is inconsistent with other credit arrangements recently introduced under the UNC.

Overall we believe Modification Proposal 0195 and 0195A have the potential to further facilitate the securing of effective competition.

Should you require any further information, please contact me on 02920 278549 or liz.spierling@wwutilities.co.uk

Yours sincerely

Liz Spierling
Commercial Manager