



Julian Majdanski
Modification Panel Secretary
Network Code Development
51 Homer Road
Solihull
West Midlands B91 3LT

09 June 2008

0141 568 2464

0141 568 4909

Dear Julian,

The following is the Scottish Power response to

Modification Proposals 0216 and 0216A – Introduction of an Additional Discretionary Release Mechanism/Pay As Bid Auction for NTS Entry Capacity

Thank you for allowing us to respond to these modifications.

Scottish Power supports implementation of modification 0216
Scottish Power supports implementation of modification 0216A

We support arrangements that increase the amount of entry capacity made available to market participants.

We also support changes that add flexibility to the arrangements surrounding entry capacity. We believe that failing to recognise that there are entry points that use entry capacity in a completely different way and require more flexibility in entry capacity release leads to system inefficiencies.

We do also have concerns over both of these proposals. We believe that it would be desirable to limit the use of National Grid's discretion in key areas – and to make the process of capacity release more transparent - and we believe that the alternative proposal seeks to achieve this. However, the arrangements proposed may only be suitable for one type of ASEP, and may limit the flexibility available to National Grid to offer capacity.

There is a possibility that mod 0216A also restricts the range of discretionary considerations available to National Grid by setting definitions on various parameters and ignoring other aspects of the decision on whether or not to make the capacity available.

We also believe that if 0216 could be implemented, the performance around the capacity release regime could be monitored - and then the arrangements modified according to what experience shows to be the optimal parameters for the capacity offering.

For this reason we prefer modification 0216 over 0216A

Should you have any queries on the views expressed, please contact me on the telephone number as shown.

Yours Sincerely,



Commercial & Regulation Manager (Gas)
Scottish Power Energy Wholesale