



## **Modification Proposal 269- Provision of Exit Information at all NTS Exit Points for the transitional exit period - AEP<sup>1</sup> Response**

The Association welcomes the opportunity to comment on this draft modification report. We support the proposal in respect of publishing this particular information at the points identified. However we find it more difficult to explain how the proposal furthers the relevant objectives and have a number of comments regarding consistency with EU legislation.

### **EU Legislation**

The proposal states that it goes beyond the minimum definition of relevant points as stated in the EU Gas Regulation 1775/2005. We agree with this and note that the definition in the Regulation does not include offtakes serving customers accounting for less than 2% of total network capacity. Whilst the new Regulation 715/2009 specifically excludes offtakes serving a single final customer. However we do not consider that this capacity information to be commercially sensitive, and support it being published at all offtakes for consistency with the enduring arrangements and to better meet the requirements of the Regulation(s).

At some point we would expect NG to undertake a consultation to define which points constitute Relevant Points under the Gas Regulation.

The Association may also have a different view regarding NG's interpretation of technical capacity being baseline. The baseline quantities at exit are quantities which largely relate to previous bookings and not directly to the physical capability of the system. It is our view that publishing baselines does not fulfil the requirements of the Gas Regulation to publish technical capacity. The Regulation defines this as the maximum firm capacity that the TSO can offer to the network users, taking account of system integrity and the operational requirements of the transmission system. Given that on occasion NG may be able to provide firm exit capacity at existing or new exit points without additional investment nor compromising system integrity it seems clear that baselines are not the same as technical capacity.

### **Facilitating the Relevant Objectives**

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<sup>1</sup>The Association of Electricity Producers (AEP) represents large, medium and small companies accounting for more than 95 per cent of the UK generating capacity, together with a number of businesses that provide equipment and services to the generating industry. Between them, the members embrace all of the generating technologies used commercially in the UK, from coal, gas and nuclear power, to a wide range of renewable energies.

The Association accepts that this proposal improves transparency but given that the transitional period is within investment leadimes we are not convinced that this will lead to more economic and efficient pipeline investment nor operation as per SSC A11.1 (b).

*SSC A 11.1(d) securing of effective competition*

Transparency will be improved but it is not clear how this will impact competition. At DN offtakes there is no competition whilst at other offtakes which serve customers the shared supply arrangements enable the registration of multiple shippers. Hoarding of NTS exit capacity is not an issue since the capacity moves with the registered supplier.

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