

Tim Davis
Joint Office of Gas Transporters
First Floor South
31 Homer Road
Solihull
West Midlands
B91 3LT

Debra Hawkin
Senior Commercial Analyst
Regulatory Frameworks

debra.a.hawkin@uk.ngrid.com

Direct tel +44 (0)1926 656317

Direct fax +44 (0)1926 656605

www.nationalgrid.com

7th June 2010

Re: UNC Modification Proposal 0295 – Allocation of Daily NTS Entry Capacity Within-Day

Dear Tim,

Thank you for your invitation seeking representations with respect to the above Modification Proposal.

National Grid NTS supports implementation of Modification Proposal 0295 as it believes this is a clarification of the existing process with regards to the initiation of a capacity allocation period in respect of Daily NTS Entry Capacity within-day.

Rationale

National Grid NTS supports the principles outlined within Modification Proposal 0295. This proposal has arisen following Shipper Users having some uncertainty and therefore concerns regarding the existing UNC processes surrounding the allocation of Within-Day Daily NTS Entry Capacity.

As this Modification Proposal clarifies National Grid's existing processes in accordance with the current UNC rules there will be no systems implications.

For the avoidance of doubt, National Grid would like to clarify that on the day Capacity Allocation Periods can only start on the hour commencing at 07:00am and ending 02:00am subject to bids being placed by Shipper Users. This Modification Proposal would not change the actual amount to be allocated but clarifies that any bids placed at an ASEP within-day will be processed within the hour and an allocation of capacity at that ASEP may or may not be made subject to the existing UNC rules.

Extent to which implementation of Modification Proposal 0295 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 (d): so far as is consistent with subparagraphs (a) to (c) the securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers;***

Clarification of the existing processes may better facilitate this relevant objective by removing any potential uncertainty regarding the processes. If Shipper Users who have submitted daily capacity bids have more confidence that all daily capacity bids will be processed at regular intervals, Entry Shipper Users may gain commercial benefits.

- ***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;***

National Grid agrees with the proposer that 'implementation would be expected to better facilitate this relevant objective by clarifying existing Daily NTS Entry Capacity allocation rules, removing (or at least reducing) the current scope for disagreement between Shipper Users and National Grid NTS, in respect of when a daily capacity bid must be accepted and capacity allocated'.

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

Debra Hawkin
Senior Commercial Analyst
Regulatory Frameworks
National Grid
01926 656317
debra.a.hawkin@uk.ngrid.com