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Re: UNC Modification Proposal 0265 – Creation of a NTS Entry Capacity Retention Charge within the Uniform Network Code

Dear John

Thank you for your invitation seeking representations with respect to the above Modification Proposal. As Proposer, National Grid NTS supports implementation of Modification Proposal 0265.

Rationale

This proposal, if implemented, will define the NTS Entry Capacity Retention Charge as a Transportation Charge within the UNC. This will give National Grid NTS the ability to invoice for (and refund) the revenue associated with this charge. By including the charge within the UNC, the processes relating to the payment of invoices apply to this charge and will be covered by UNC governance.

This proposal does not define substitution, it purely defines the Retention Charge as a Transportation Charge within the UNC. Approval of this proposal is integral to the implementation of the substitution methodology

Extent to which implementation of Modification Proposal 0265 would better facilitate the achievement (for the purposes 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 (a): the efficient and economic operation of the pipe-line system to which this licence relates;**
Implementation would facilitate the introduction of Entry Capacity Substitution thus enabling the substitution of existing entry capacity at one or more NTS Entry Points to meet demand for incremental entry capacity at other entry points, thereby reducing the need for investment. This would be consistent with the achievement of this relevant objective.
- **Standard Special Condition A11.1 (c): so far as is consistent with subparagraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;**
Implementation would help to meet the licence obligation to introduce Entry Capacity Substitution.

- **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;**
Implementation would clarify how retainers would be administered as the charge would be recognised and included within the UNC.

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

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