

Representation

Draft Modification Report

0381 - Removal of the NTS Exit (Flat) Capacity "deemed application" process

Consultation close out date: 12 September 2011
Respond to: enquiries@gasgovernance.co.uk
Organisation: INEOS Manufacturing Scotland Limited
Representative: Colin Pritchard
Date of Representation: 5 September 2011

Do you support or oppose implementation?

Support/Qualified Support/Neutral/Not in Support/Comments* *delete as appropriate*

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

The deemed application process is an unnecessary punitive addition to the overrun regime which will potentially result in National Grid having to invest in system reinforcement / capacity that is ultimately not required by the end consumer on a sustained basis. The end consumer will then be burdened with the cost of capacity that they have no intention or capability to use on a sustained basis. This is particularly true for large industrial consumers, e.g. Petrochemicals plants, who may (rarely) see high demands due to process upsets, rather than generators, who will tend to run at maximum off take and decrease consumption in the event of upset. Taken to the full extent, National Grid NTS "capacity" will become equivalent to the aggregate of all consumers' highest ever demand – i.e. investment in system capability that is never utilised.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No comments to add.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Agree with the comments made within section 4 of the Draft Modification Report (V2.0 30-Aug-11). Would further add that the costs borne by a user would in all probability be passed on the end consumer, and so may have a material impact on the finances of these businesses (in addition to being a future liability).

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

No comments.

Implementation:

What lead-time would you wish to see prior to this modification being implemented, and why?

This should be implemented prior to commencement of the Enduring Exist Capacity arrangements (i.e. 1st October 2012)

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

No comments.

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

No comments.