

## Representation

### Draft Modification Report

#### 0356/0356A: Demand Data for the NTS Exit (Flat) Capacity Charges Methodology

**Consultation close out date:** 06 January 2012

**Respond to:** enquiries@gasgovernance.co.uk

**Organisation:** NIE Energy

**Representative:** David Macartney

**Date of Representation:** 06 February 2012

#### Do you support or oppose implementation?

**0356** - Support/~~Qualified Support/Neutral/Not in Support/Comments\*~~ *delete as appropriate*

**0356A** - Support/~~Qualified Support/Neutral/Not in Support/Comments\*~~ *delete as appropriate*

#### If either 0356 or 0356A were to be implemented, which would be your preference?

Prefer 0356 or ~~0356A~~ *delete as appropriate*

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

## 0356

The indicative rise in exit capacity prices is a significant concern to customers in Northern Ireland. Out of the two proposals presented in the draft modification report NIE Energy supports 0356 over 0356A as demand forecasts, generated by National Grid in accordance with a transparent methodology, should represent a more cost reflective pricing than capacity booking data.

## 0356A

This methodology would result in unrealistic estimates of flow assumptions, in particular at the Moffat exit point, therefore giving rise to a cross-subsidy between shippers.

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

#### **Relevant Objectives:**

*How would implementation of either of these modifications impact the relevant objectives?*

#### **Impacts and Costs:**

*What analysis, development and ongoing costs would you face if either of these modifications were implemented?*

#### **Implementation:**

*What lead-time would you wish to see prior to either of these modifications being implemented, and why?*

#### **Legal Text:**

*Are you satisfied that the legal text will deliver the intent of either of these modifications?*

### **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.*