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Your Reference: UNC Modification Proposal 0376 & 0376A.

Re: UNC Modification Proposals
0376/0376A: Increases Choice when Applying for NTS Exit Capacity.

Dear Bob,

Thank you for your invitation seeking representations with respect to the above Modification Proposals which National Grid Gas Distribution (NGD) would like to support.

Do you support or oppose implementation?

Support: 0376.

Support: 0376A.

If either 0376 or 0376A were to be implemented, which would be your preference?

0376.

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

In National Grid Gas Distribution's (NGD) opinion, implementation of either of these Modifications Proposals would offer an improvement to the existing regime. Both proposals allow an adhoc application for Enduring Annual NTS Exit (Flat) Capacity to request a capacity start date beyond Y+4 up to Y+6 and allow an application made within the July Application Window to request a start date for any month including October (clarified in the legal text). The original Proposal 0376, further allows applications at a reduced threshold of 1GWh/d (from 10 GWh/d). Both proposals help to improve the balance between the notification required by NTS for investment signals and accurate booking/signals. However, given that we book capacity to meet 1:20 requirements, it is very unlikely we will ever avail ourselves of the facility.

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

None identified.

Self Governance Statement:

Do you agree with the Modification Panel's decision that this should be a self-governance modification?

Yes.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

Standard Special Condition A11.1 (c) "efficient discharge of the licensee's obligations":

The increased notice provided by both of these Modification Proposals (Y+4 to Y+6) should assist NTS in system planning. Reducing the adhoc threshold from 10 to 1GWh (as proposed by 0376) may also improve the accuracy of the signals.

Standard Special Condition A11.1 (d) "the securing of effective competition between relevant shippers":

Both Proposals assist in the process of ensuring that Users do not face costs for capacity that they are forced to book but are unable to utilise for a period of time.

Impacts and Costs:

NGD believes that the User Pays cost apportionment put forward in these Proposals does not reflect the benefit that would be afforded to the parties that could make use of this facility; the DNO user share is by far the largest proportion and, as a group, we would not be the principal beneficiaries. While NGD may be able to use this facility occasionally, it is not foreseen we will be able to take any systematic advantage from the implementation of either Proposal and, consequently, we believe that it is inappropriate that, as a single party, NGD should bear the largest portion of the implementation costs.

Implementation:

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

We have nothing to add to the information put forward in the Draft Modification Report.

Legal Text:

NGD is satisfied that the text as published by the Joint Office within the Draft Modification Report meets the requirements of these Modification Proposals.

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

No.

We trust that this information will assist in the compilation of the Final Modification Report.

Please contact me on 01926 653559 (alan.raper@uk.ngrid.com) should you require any further information.

Yours sincerely,

Alan Raper
Network Code, Distribution