

## Representation

### Draft Modification Report

#### **0376 and 0376A: Increased Choice when Applying for NTS Exit Capacity**

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

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

**Organisation:** RWE Npower plc / RWE Supply & Trading GmbH

**Representative:** Charles Ruffell

**Date of Representation:** 6<sup>th</sup> January 2012

#### **Do you support or oppose implementation?**

**0376** - Support

**0376A** - Qualified Support

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

Prefer 0376

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

We support the underlying reason for this modification proposal which is to increase the level of choice available to Users when applying for Enduring Annual NTS Exit (flat) Capacity. The proposal retains the principle of User Commitment but increases the flexibility for making incremental and new exit capacity bookings within the existing framework. The increased flexibility should allow Users to align acquisition of commercial capacity rights with project development timescales and provide National Grid NTS with clearer signals of actual requirements. We also believe that reducing the minimum threshold for ad hoc applications to 1GWh/day (0356) will also facilitate more accurate capacity bookings. We have seen little evidence that such a reduction will lead to a significant increase in the number of ad hoc applications.

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

0376/0376A

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None.

**Self Governance Statements:**

*Do you agree with the Modification Panel's decision that these should be self-governance modifications?*

Yes, we agree with the decision.

**Relevant Objectives:**

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

We agree that the proposals will better facilitate relevant objectives c) and d).

SSC A11(c): Efficient discharge of licensee's obligations

Providing notice of exit capacity bookings beyond Y+4 and allowing an actual start month other than October will provide a clearer signal to National Grid NTS and lead to more economic and efficient investment in the system.

SSC A11(d): Securing of effective competition

Both proposals should result in better cost-targeting. Reducing the threshold to 1 GWh/day and allowing non-October start dates will allow capacity bookings to be better matched to User requirements. The principal benefit is that Users can avoid unnecessary costs by having to book capacity before it is required and by having to book an unnecessary quantity of capacity. This should ensure that Users face the appropriate costs of managing their capacity requirements.

**Impacts and Costs:**

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

We believe that the proposal contains an equitable share of implementation costs between Shipper Users and Transporters.

**Implementation:**

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

We would like implementation to take place as soon as possible, subject to system development lead-times and preferably in time for the July 2012 Application Window.

**Legal Text:**

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

Yes.

**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.