

The Joint Office, Relevant
Gas Transporters, shippers and other
interested parties

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Dear Colleague

Re: Consultation on “The Entry Capacity Transfer and Trade Methodology Statement”.

Special Condition C8D of the Authority’s proposals for National Grid’s Gas Transporter Licence in respect of the NTS¹ sets out obligations to prepare and submit for approval by the Authority capacity trade and capacity transfer methodology statements setting out the methodologies that National Grid NTS will use to facilitate capacity trades and capacity transfers. In addition, National Grid NTS is obliged to consult with relevant shippers prior to developing and modifying the methodologies. National Grid NTS considers that it is appropriate to prepare a single document to meet these proposed obligations. This letter therefore notifies shippers of the proposed Entry Capacity Transfer and Trade Methodology Statement (T&T) and invites views on the proposal.

Due to time constraints, specifically the intention to have capacity transfer and trades processes in place prior to winter 2007/08, National Grid NTS is consulting on its proposed T&T prior to agreement and implementation of its Gas Transporter Licence. Should the specific conditions relating to capacity transfers and trades be significantly at variance with National Grid NTS’s expectations then this statement may be withdrawn or amended (which may require further industry consultation). Consultation on this statement should not be seen as acceptance by National Grid NTS of the proposed licence conditions.

A copy of the proposed T&T methodology statement accompanies this letter and should be read in conjunction with the associated UNC modification proposal².

Responses to the proposed T&T should arrive at National Grid by 17:00 on 28 August 2007. They should be sent to:

Andrew Fox
NG House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

¹ Section 23 Notice dated 30 July implementing the Gas Transmission Price Control

² UNC Mod 0156: Transfer and Trading of Capacity between ASEPs. This can be found on the Joint Office website at www.gasgovernance.com

Alternatively they can be sent by e-mail to:
box.transmissioncapacityandcharging@uk.ngrid.com.
Tel: 01926 656217

Yours sincerely

Martin Watson