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Re: UNC Modification Proposal 0288 – Facilitating the Reduction of Enduring Annual NTS Exit (Flat) Capacity by a value less than 100,000 kWh

Dear Tim,

Thank you for your invitation seeking representations with respect to the above Modification Proposal. As proposer, National Grid NTS supports implementation of Modification Proposal 0288.

Rationale

National Grid NTS supports the principles outlined within Modification Proposal 0288 and the view that this Proposal falls under the User Pays arrangements. The User Pays service that is being proposed in this Modification Proposal is for the development and implementation necessary to allow Users to request a Reduction Amount of Enduring Annual Exit (Flat) Capacity of less than 100,000 kWh that accurately reflects their requirements.

National Grid NTS is of the view that implementation of Modification Proposal 0288 would provide benefit for all Shippers and Transporters, with particular benefits for those Users wishing to reduce their Registered NTS Exit (Flat) Capacity that have been initialised with values of less than 100,000 kWh and/or for those Users who at a future date may also find themselves with a Registered NTS Exit (Flat) Capacity holding that is less than 100,000 kWh at an NTS Exit Point. Furthermore by permitting Users to reduce their Registered NTS Exit (Flat) Capacity holding by less than 100,000 kWh this may enable National Grid NTS to make available and potentially allocate such NTS Exit (Flat) Capacity that would otherwise be unavailable to the market.

Extent to which implementation of Modification Proposal 0288 would better facilitate the achievement (for the purpose of each Transporters' Licence) of the relevant objectives

National Grid NTS considers this Proposal would, if implemented, better facilitate the following Relevant Objectives as set out in its Gas Transporters Licence:

- ***Standard Special Condition A11.1(d): so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition: (i) between relevant shippers;*** For the reasons given below, the Proposer believes that this Proposal will better facilitate relevant objectives A11.1 (d):

Implementation would enable Users to reduce exit capacity holdings by less than 100,000 kWh and so better reflect their requirements. This would lead to Shippers only paying for the capacity they require, with more accurate cost allocation facilitating effective competition.

If you have any questions, please do not hesitate to contact me.

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