

Mr. Bob Fletcher
UNC Panel Secretary
Joint Office of Gas Transporters
1st Floor South
31 Homer Road
Solihull
West Midlands
B91 3LT

29 November 2010

Dear Bob,

RE: Modification proposal 0347: Amend NTS Exit Capacity Assignment Start Date

Thank you for the opportunity to respond to this consultation. As proposer, British Gas Trading (BGT) supports its implementation.

Under processes currently agreed for managing exit capacity, National Grid will facilitate the assignment of full (flat) exit capacity holdings between Users at individual exit points commencing on 1 August 2011. However, the start date for this process comes after the closure of the “July reduction window” – this being the last opportunity during the year on which shippers can relinquish unwanted Enduring Annual NTS Exit (Flat) Capacity to National Grid.

The sequence of these events is sub-optimal, potentially leading the shippers surrendering to National Grid exit capacity which could usefully be assigned to another shipper User(s), only for potential transferees to have to apply to National Grid for such capacity. By way of solution, therefore, this proposal propounds that the commencement date for assignment of capacity between Users, as facilitated by National Grid, be brought forward to 1 June 2011.

We believe that this solution will deliver greater efficiency into the capacity management process, as it will allow shipper Users the ability to manage their capacity positions between themselves, resulting in only genuinely unwanted capacity being surrendered to National Grid as a last, rather than a first, resort.

We have worked with National Grid in developing this proposal, and as a result of those conversations we understand that the systems functionality required to deliver inter-shipper capacity assignment is likely to be ready prior to the 1 June 2011 start date. If this is indeed the case, this proposal would be delivered at zero incremental cost.

Primarily, we believe that by allowing shipper Users to manage their Exit capacity positions between themselves, thereby enhancing the secondary capacity market, this proposal will better facilitate competition between relevant shippers.

Please contact me if you would like to discuss this response.

Yours sincerely,

Chris Wright
Commercial Manager