

Representation

Draft Modification Report

0426: Amendment to the NTS System Entry Overrun Charge

Consultation close out date: 02 November 2012

Respond to: enquiries@gasgovernance.co.uk

Organisation: RWE Npower plc / RWE Supply & Trading GmbH

Representative: Charles Ruffell

Date of Representation: 02 November 2012

Do you support or oppose implementation?

Support

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

We support the "ticket to ride" principle and believe that the deficiency identified in the current NTS System Entry Overrun Charge calculation should be corrected. Implementing the change will ensure that Users face appropriate incentives to acquire capacity rights ahead of utilisation.

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

Where certain Users are persistently overrunning against their capacity holdings (and driving the need for this change) then these Users may not contribute to the costs of implementing this modification proposal as it is proposed that User Pays costs should be prorated based on a User's end of day Entry Capacity holdings on the date of implementation.

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

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Version 1.0

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We agree implementation will have a positive impact on Code Relevant Objective(s):

a) Efficient and economic operation of the pipe-line system

c) Efficient discharge of the licensee's obligations, and

d) Securing of effective competition:

(i) between relevant shippers;

(ii) between relevant suppliers; and/or

(iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

None.

Implementation:

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

Historic analysis presented in the Draft Modification Report shows that there have been relatively few instances of overruns attracting zero charges and that the associated volumes are also small. Given that implementation costs are considerably greater than revenue from the potential overrun charges that would have applied if this Modification had been in place, we support the view that National Grid NTS should monitor and report any change in the level of overruns that fall into this category. If there is evidence that these are increasing then the system changes should be progressed.

Legal Text:

Are you satisfied that the legal text [and the proposed ACS (see www.gasgovernance.co.uk/proposedACS)] will deliver the intent of the 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.