



**Comments in respect of  
Modification 0046: Extension of the sunset clauses for registration of  
capacity at NTS exit points**

12 September 2005

The Association of Electricity Producers welcomes the opportunity to comment on this draft modification report. The Association offers its qualified support for this proposal as a pragmatic means of managing NTS exit and offtake capacity following the Authority decision of 24 June to delay implementation of the enduring arrangements. We agree that this should better facilitate the relevant objectives in the manner detailed in the draft modification report.

The Association does however have some reservations that prevent it offering its full support to this proposal.

We consider the extension rather than removal of sunset clauses gives rise to a number of issues:

- Effectively prevents signalling the need for capacity beyond 30 September 2010, which could be important if Transco were to extend the lead times associated with Specific Reinforcement in the ARCAs beyond three years in a manner comparable to urgent modification 36 at entry.
- It assumes that further changes to the arrangements are necessary. Whilst clearly this is the expectation of the Authority as outlined in its decision letter of 24 June, any further changes will need to be considered on their own merits. Such changes must better facilitate the relevant objectives than the prevailing arrangements at the time and this cannot be assessed at this time.
- Further modification(s) may be necessary to extend or remove the sunset clauses if the enduring arrangements are not finalised in time or are not implemented.

The Association is also concerned that this modification is linked to a number of other documents. The IExCR statement and standard condition 4B licence statement are subject to concurrent consultation but are subject to different governance arrangements and the DC and DN ARCA which have only been released one day before this consultation closes and on a tight two week timeframe. Whilst it is possible that the outcome of these consultations will not have a material impact on the modification itself, as it could be argued this stands alone, this could impact participants' perception of this modification and the effect of the legal text. This could in turn affect their support for the proposal.