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Dear Julian,

RE: Modification proposal 0139 and 0139A: "Amendments to UNC TPD OCS Process and Long Term Allocation of Capacity in the Transitional Period"

Thank you for the opportunity to comment on these modification proposals. British Gas Trading (BGT) is submitting a single response covering both the original proposal and its Alternate.

BGT supports both of these proposals. Of the two, our preference is for the greater information transparency that would be introduced through the implementation of 0139A.

To expand on this point, we agree with the proposer of 0139A, in that it would be extremely useful to shippers to have access to these data – particularly data highlighting the use of system flexibility by DNOs. Within the context of this proposal, we do not believe that this particular point should give rise to any commercial confidentiality issues, since DNs are the only purchasers of flexibility during the lifetime of this proposal, and will not be competing with each other for this product.

We have carefully considered the impact that either of these two proposals might have on the balance of rights between DNO Users and other NTS directly connected Users. In particular we are concerned to ensure that the greater flexibility to vary offtake capacity sought by either of these proposals does not introduce elements of discrimination against such other Users, whose regime would remain unchanged. Having reviewed the draft legal text provided, we understand that the ability to amend DN offtake capacity outside of the formal application window is in respect of upward revisions only. No ability is sought by either of these proposals to reduce offtake capacity outside of the formal application window.

In light of this, we believe that these proposals do not introduce discrimination against NTS directly connected customers.

We believe that the implementation of both of these proposals would further the relevant objective set out at A11.1(a) in that they facilitate greater use – and therefore efficiency - of the pipeline system by removing uncertainty over whether offtake capacity might be available at a DN connection or potential DN connection. These proposals also further this objective by encouraging dialogue between transporters over NTS offtake capacity during the application window, thereby seeking to maximise pipeline usage, rather than a simple “yes or no” approach which could leave capacity unused.

The dialogue referred to above also furthers A11.1(b) – the co-ordinated efficient and economic operation of the combined pipeline and the pipelines of a number of transporters – and A11.1(f) the promotion of efficiency in administering the code.

However, we believe that 0139A adds a further advantage over 0139 in that the publication of offtake data better equips NTS directly connected Users to take part in a regime i.e. flexibility – that they currently have no experience of. This data, therefore, would help to secure effective competition between DNOs and relevant Shippers, further to A11.1 (d) (iii).

Should you have any queries with regard to this response please do not hesitate to contact me.

Yours sincerely,

Chris Wright
Contracts Manager