

Julian Majdanski  
**Joint Office of Gas Transporters**  
31 Homer Road  
Solihull

Phil Lawton  
Distribution Regulation Manager  
Phil.lawton@uk.ngrid.com  
Direct tel +44 (0)1926 656448  
Direct fax +44 (0)1926 656602

[www.nationalgrid.com](http://www.nationalgrid.com)

8<sup>th</sup> February, 2008

**Re: Modification Proposal 0187/187A: 'Alterations to the RMSEC Auction to Accommodate Transfer and Trade of Capacity between ASEPs'**

Dear Julian,

Thank you for your invitation seeking representations with respect to the above Modification Proposal.

National Grid Gas (Distribution), ("NGD") appreciates the level of input by all parties to this process and was willing to support Proposal 0187 on the basis that it agrees with the arguments put forward in relation to the better facilitation of the relevant objectives as set out in the Proposal, specifically A11.1 (a). It clearly demonstrates an improvement over the existing "interim" arrangements introduced by 0169 in 2007, which were implemented in line with licence objectives. It is NGD's view that 0187 provides for the most effective use of the capacity by allocating surrendered capacity first and that it should help to deter the speculative purchase of capacity.

NGD notes that National Grid NTS has stated that it intends to work towards shortening the period between the auction and the allocation of the capacity for the following month i.e. although initially the RMSEC auction would be held towards the beginning of the month there is an intention to move it nearer to the end of the month. This should serve to improve the efficiency of the process and ensure the optimum use of the available capacity.

In conclusion NGD offers support for Modification Proposal 0187 and not for 0187A.

Please contact Alison Chamberlain on 01926 653541 ([alison.chamberlain@uk.ngrid.com](mailto:alison.chamberlain@uk.ngrid.com)) should you require any further information with respect to the above.

Yours sincerely

Phil Lawton  
Distribution Regulation Manager