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Re: UNC Modification Proposal 0198 – Extension of the Current Sunset Clauses for Registration of Capacity at NTS Exit Points

Dear Julian

Thank you for your invitation seeking representations with respect to the above Modification Proposal. As Proposer, National Grid NTS supports implementation of Modification Proposal 0198.

Rationale

It is unlikely that a Modification Proposal facilitating an 'enduring' exit regime will be implemented by 1 April 2008, which creates uncertainty regarding Capacity Booking arrangements for Gas Year 2011/12. This proposal, if implemented, would extend the transitional arrangements for a further 1 year, therefore clarifying the Capacity Booking arrangements for Gas Year 2011/12.

Extent to which implementation of Modification Proposal 0198 would better facilitate the achievement (for the purposes of each Transporter's Licence) of the relevant objectives

National Grid NTS considers this Proposal would, if implemented, better facilitate the following Relevant Objectives as set out in its Gas Transporters Licence:

- In respect of Standard Special Condition A11 paragraph 1(a), the Proposal would enable DNO Users to register their NTS/LDZ Offtake Capacity requirements beyond September 2011, which would allow National Grid NTS to undertake better informed investment decisions and thereby better facilitate the efficient and economic operation of the NTS pipeline system;
- In respect of Standard Special Condition A11 paragraph 1(b), the Proposal would enable National Grid NTS and DNO Users to formally confirm NTS/LDZ Offtake Capacity levels to support their respective investment decision beyond September 2011 and thereby better facilitate the co-ordinated, efficient and economic operation of the combined pipeline system; and
- In respect of Standard Special Condition A11 paragraph 1(c), (the efficient discharge of the licensee's obligations under this Licence), the Proposal would promote the economic and efficient development and operation of the system which might be expected to facilitate the relevant objective of compliance with Licence obligations.

If you have any questions, please do not hesitate to contact me

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