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## **Modification Proposal 216/216A – Introduction of an Additional Discretionary Release Mechanism for NTS Entry Capacity**

Dear Julian,

RWE npower welcomes the opportunity to respond to the above modification proposals and does so on behalf of all its licensed gas businesses and the GB business of RWE Trading & Supply GmbH.

Whilst we believe both proposals further the relevant UNC objective of ensuring the efficient and economic operation of the NTS we strongly favour modification proposal 216. We believe this provides National Grid NTS with greater flexibility, compared to modification proposal 216A, to release non-obligated entry capacity in such a manner as may help to facilitate further supplies of gas to the GB market, thus also enhancing security of supply.

We recognise that modification proposal 216A has been raised to provide certain checks and balances around how National Grid interpret what, on the face of it, might be seen as wide reaching powers to release entry capacity outside of the well understood release mechanisms laid out in the UNC. However, we do not believe that additional discretionary release will be commonplace and are confident that the provisions in modification proposal 216 along with National Grid's assurances to review any instances with shippers will ensure that the current UNC release mechanisms are not undermined, and that additional discretionary release is conducted in an equitable and transparent manner.

By restricting additional discretionary release to a minimum of monthly strips and requiring 28 days notice of an auction held over two rounds, modification proposal 216A effectively rules out additional discretionary capacity being released to exploit short market term opportunities (principally, but not exclusively LNG cargoes), particularly as an auction would have to be held before any RMSEC auction for the release of unsold baseline. Providing for discretionary capacity to be released in shorter strips and reducing the notice period for a single round auction to a minimum of 7 days (in line with National Grid's interpretation of its licence condition) increases the possibility for short term market opportunities to be realised, although the extent to which they become available remains to be seen.

Yours sincerely,

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Economic Regulation

\* Sent by e-mail and therefore unsigned