

Mr John Bradley

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UNC Modification Proposal 0237 –
“Disposal of Dynevor Arms LNG Storage Facility”
Supplemental Response

Dear John,

Thank you for your invitation seeking representation with respect to the above Modification Proposal. National Grid NTS has responded to this consultation previously and this note should be considered as supplemental to that response. Whilst nothing stated in this letter seeks to change the response that National Grid NTS has previously submitted, it has become apparent from some industry responses that there is confusion around the commercial abilities that National Grid NTS has at the Dynevor Arms site for Operating Margins Purposes (OMP). This supplemental response seeks to clarify this area in order to ensure that Ofgem is in possession of the factual information required to make its decision on the proposal.

National Grid NTS does not have any rights to transfer its OMP gas in storage at the Dynevor Arms LNG site that are not also available to other Users. If National Grid NTS decides to move its OMP gas from Dynevor Arms to another LNG facility before the end of the storage year it will incur withdrawal, deliverability, injection and injectability charges in the same way as any other market participant. If National Grid NTS leaves its OMP gas in storage after the end of the storage year, then the gas will be sold on the market along with any other Shipper User's gas. If at some future time a transfer service for gas in storage at Dynevor Arms is offered, National Grid NTS sees no reason why this service should not be made available to all market participants equally.

Please let me know if you require any further information to enable preparation of the Final Modification Report.

Yours sincerely,

Adam Sims
Commercial Analyst