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7 April 2010

**Re: UNC Modification Proposal 0289 – To determine the amount of Annual NTS Exit (Flat) Capacity to be released where the quantity of unsold NTS Exit Capacity fluctuates within the Gas Year**

Dear Tim

Thank you for your invitation seeking representations with respect to the above Modification Proposal. As proposer, National Grid NTS supports implementation of Modification Proposal 0289.

**Rationale**

National Grid NTS supports the principles outlined within Modification Proposal 0289 and the view that this Proposal falls under the User Pays arrangements. The User Pays service that is being proposed in this Modification Proposal is the development and implementation necessary to enable National Grid NTS to release only NTS Exit (Flat) Capacity that is available for the whole Gas Year i.e. can be made available for each day within the Gas Year as Annual NTS Exit (Flat) Capacity.

It is National Grid NTS' view that Modification Proposal 0195AV implemented NTS Exit Reform and as such satisfies National Grid NTS' obligation to introduce Exit Reform and that any Proposal introducing additional changes to the Exit Regime should be treated as any other incremental change/addition to the services provided by xoserve and as such a User Pays Proposal.

**Extent to which implementation of Modification Proposal 0289 would better facilitate the achievement (for the purpose of each Transporters' 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:

- ***Standard Special Condition A11.1(a): the efficient and economic operation of the pipeline system to which this licence relates;*** For the reasons given below, the Proposer believes that this Proposal will better facilitate relevant objectives A11.1 (a):

This Proposal will provide clarity with regards to the quantities of Annual NTS Exit (Flat) Capacity that will be made available in the July Annual Application Window, this will aid Users when determining their application strategies which may otherwise result in an inefficient outcome due to the lack of clarity around both the release mechanism and the quantity to be made.

- ***Standard Special Condition A11.1 (f): so far as is consistent with subparagraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code;*** For the reasons given below, the Proposer believes that this Proposal will better facilitate relevant objectives A11.1 (f):

This proposal would add clarity to the release arrangements of Annual NTS Exit (Flat) Capacity, providing clear and transparent rules as to the determination of the amount of NTS Exit (Flat) Capacity to be released via the Annual Application Window.

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

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