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Jan Gascoigne,
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Dear Ms Gascoigne

Re: NTS GCM06 Consultation

Thank you for the opportunity to comment on the above Consultation.

I am responding on behalf of Canatxx Gas Storage Limited.

We remain supporters of the GCM 01 methodology Option 2b for the following reasons:

1. National Grid has not been able to explain what 'spare capacity' is. With the new baselines, results of the AMSEC auctions and proposed capacity transfers, it is not clear if there is actually any spare capacity at St Fergus for example. It may well be that the 20 MCMD of St Fergus capacity transfers to other entry points, meaning that the St Fergus capacity would be fully utilized. Against this scenario, which will repeat at all future auctions, it is not sensible to determine, in an arbitrary fashion, were there is spare capacity.

2. National Grid says that Option 2a which takes into account spare capacity will lead to a higher TO Commodity Charge and greater price instability. We believe these are very important and significant downsides. Our concern remains that a high TO Commodity arising from 2a undermines the basis of the capacity regime and causes parties buying long term capacity to, in effect, pay twice. It also means that the UK is highly expensive in relation to possible transit flows.

We urge National Grid and Ofgem to reject Option 2b and implement Option 2a.

Yours sincerely

Graeme Thorne
Managing Director