

Jemma Spencer
Regulatory Frameworks
National Grid plc
National Grid House
Gallows Hill
WARWICK
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15 May 2009

RE: NTS GCM16

Dear Jemma,

Centrica welcomes the opportunity to comment on the issues raised in the consultation on proposals for supply/demand balancing by National Grid for calculation of entry and exit capacity prices and on the source of the supply data.

Centrica agrees with Proposal One raised in GCM16, namely that the methodology used for supply/demand balancing in the transportation model should be based on the six supply groups as set out in the consultation document and that each supply group would be fully utilised in turn and the supplies in the last required supply group would be scaled by an equal percentage to achieve a supply and demand match.

Centrica agrees with Proposal Two raised in GCM16, namely that the source of the supply data for UKCS and Norwegian gas supply components should be the Ten Year Statement while physical capability would be used all other supply components, subject to all ASEPs being capped at the obligated entry capacity level. It is noted that the latter may not be entirely appropriate for use in year 4, which is used for indicative exit capacity price generation, when incremental entry capacity may be procured at the next QSEC but the proposal appears to be the best available. It is also noted that section 4.6 of the Ten Year Statement would be used to identify eligible entry points and the year that they are due to become operation and that new entry points would only be included as available supply in future years if they were under construction.

Please do not hesitate to contact me should you require further information about any of these responses.

Regards,

Clive Woodland
Planning & Analysis Manager