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Dear Eddie

NTS GCM 19: Removal of NTS Daily Entry Capacity Reserve Price Discounts

TOTAL E&P UK welcomes this consultation as a means of expediting urgently needed and long overdue changes within National Grid's Gas Transmission Transportation Charging Methodology. Our position remains as detailed within our 15th February response to NTS GCD 08 (NTS Entry Charging Review) and we request that this document is included in our overall response to this latest consultation.

In addition, we believe that the matters covered within GCM 19 are intrinsically linked to Code Modification Proposal 0285 ("Use it or lose it" (UIOLI) Interruptible Capacity only to be released when there is at most 10% unsold firm entry capacity) published on 1st April and now being progressed within the UNC Transmission Workstream. We suggest that opinions expressed on either proposal be considered holistically.

Consistent with our response to NTS GCD 08, our position on the questions included within this latest consultation are as follows:

Q1. Should the discounts that apply to day-ahead (DADSEC) firm daily entry capacity be removed?

A: Emphatically, yes. This change should be introduced as a matter of priority.

Q2. Should the discounts that apply to within-day (WDDSEC) firm daily entry capacity be removed? (As a consequence of the removal of the discounts, day-ahead and within-day Daily NTS Entry Capacity Reserve process (p/kWH/day) would both be equal to the rolling monthly auction reserve process.)

A: Emphatically, yes. This change should be introduced as a matter of priority.

Q3. Should revenue from the sale of within-day Obligated Daily NTS Entry Capacity (if not redistributed via capacity neutrality) be treated as TO revenue for charge setting purposes?

A: Yes. This change should be introduced as quickly as possible to maximise the positive effects of Q1 and Q2 above.

We are certain that the implementation of the above proposals would augment achievement of License Objectives by promoting cost-reflectivity and efficiency, and by helping to minimise undue preference.

We look forward to hearing the outcome of the consultation.

Yours sincerely,

(by email)

Iain McCombie
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