



**Incremental Entry Capacity Release
Methodology Statement
Consultation Conclusions Report**

13th November 2009

Executive Summary

Introduction

Special Condition C15 of National Grid Gas' ("National Grid") Gas Transporter Licence in respect of the NTS (the "Licence") sets out obligations to prepare and submit for approval by the Authority before 1st July in each formula year an incremental entry capacity release methodology statement ("IECR") setting out the methodology by which National Grid will determine whether to allocate incremental entry capacity. Following industry consultation National Grid submitted its proposed methodology to the Authority on 26 June 2009. This was subsequently approved on 15 July 2009.

In addition to the obligation referred to above, Special Condition C15 of the Licence allows National Grid to revise the IECR at any time. Such revision requires industry consultation prior to submission to the Authority.

On 13th October 2009 National Grid invited views in respect of proposed revisions to the IECR (V9.1) to be made by 10th November 2009.

The proposed revisions are:

- Reducing the minimum incremental step size for new ASEPs from 15GWh to 5GWh;
- Clarification of paragraph 82 which provides the process to determine incremental step sizes for new ASEPs;
- Removal of references to P0 prices being set to zero.

This document sets out National Grid's conclusions on its consultation on the proposed revised IECR. It provides a summary of the representations received, National Grid's response, and an indication of whether changes have been made to the proposed statement.

Responses

Representations were received from one respondent; Greenpark Energy Ltd (GPL). The response is copied in full, as follows:

Greenpark agrees with National Grid that the current minimum incremental step size for new Aggregate System Entry Points (ASEPs) of 15 GWh/d can act as a barrier to the development of smaller new ASEPs on the system. Additionally, it can also prevent the shippers and developers of such sites from being able to provide National Grid with an appropriate investment signal and therefore Greenpark welcomes the proposed reduction from the current 15 GWh/d to 5 GWh/d.

Summary

As no concerns have been raised by consulted parties National Grid is not proposing any amendments to the IECR in excess of those proposed within the consultation, which are listed above and detailed in the consultation cover letter.