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The Joint Office, Relevant Gas Transporters, shippers and other interested parties Lesley Ramsey Commercial Analyst Gas Charging and Access Development

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Dear Colleague

Review of Incremental Entry Capacity Release Methodology Statement 2011

Special Condition C15 of National Grid Gas plc's ("National Grid") Gas Transporter Licence in respect of the NTS ("the Licence"), sets out obligations to prepare and annually review the Incremental Entry Capacity Release Methodology Statement ("IECR"). As part of the review, National Grid is obliged to consult with Shippers and other interested parties on proposed changes.

At the Transmission Workgroup meeting on 5th May 2011 National Grid requested that any issues with the current methodology should be notified to National Grid so that they could be considered as part of the annual review for 2011. No responses were received.

Having reviewed the methodology National Grid is not proposing any changes apart from general housekeeping and minor amendments to paragraphs 57, 60 and 85 to simplify and provide additional clarity.

Paragraph 57 and 60

Amended to clarify the way that the extension allowance gained or used by National Grid is determined in respect of variations from the default 42 month capacity release lead-time.

Paragraph 85

The addition of a reference to the need to identify an appropriate revenue driver, where one is required, in the Licence when a new NTS entry point is to be established.

In accordance with the above Licence condition, National Grid is required to consult on its proposals before submitting them to the Authority for approval. This letter therefore provides

notice of the proposed Incremental Entry Capacity Release Methodology Statement and invites views on the proposal.

National Grid would appreciate the comments of Shippers and other interested parties on the proposed changes to the IECR. Responses should arrive at National Grid by 17:00 on 28th October 2011. They should be sent to:

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Alternatively they can be sent by e-mail to:

box.transmissioncapacityandcharging@uk.ngrid.com

Please cc to <u>lesley.ramsey@uk.ngrid.com</u> and request a "read receipt" to confirm delivery.

Responses will be placed on National Grid's website and incorporated within the consultation conclusions report. If you wish your response to be treated as confidential then please mark it clearly to that effect.

To assist in reviewing the proposed changes the following documents are available on National Grid's website via:

www.nationalgrid.com/uk/Gas/Charges/statements/transportation/iecr

- A clean copy of the consultation IECR: version 11.1;
- A marked comparison of the consultation IECR (v11.1) to the current approved IECR (v11.0); and
- The current approved IECR: version 11.0, effective 05th January 2011.

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