

Dear Andrew

InterGen comments on NTS Exit Capacity Release Methodology Statement (ExCR)

InterGen welcomes the opportunity to respond to the consultation on the revised ExCR in light of UNC modification 195AV “Introduction of Enduring NTS Exit Capacity Arrangements”.

InterGen would like to highlight the issue regarding the user commitment associated with capacity increases above baseline allocated after the initialisation. In our opinion the issue extends beyond that described in the covering letter as this will continue to be a concern for capacity increases allocated throughout the transitional period.

Under the proposed methodology, any request for increased capacity which is below the ARCA volume threshold must be requested using the July window for capacity Y+4 onwards. This will require a 4 year user commitment irrespective of if the capacity has been allocated in shorter timescales using the SPA process and the user has been paying for the additional capacity for a period prior to Y+4. In addition, the user commitment is based on the full volume of the capacity at an exit point despite the increase being relatively small, implicit in the fact an ARCA cannot be requested.

InterGen proposes the following way to manage this issue.

1. Reduction or removal of the volume threshold for ARCA agreements. This would mean all incremental requests are swept up prior to October 2012 and made enduring. InterGen does not believe this would substantially increase the number of ARCA requests to unmanageable levels.

InterGen believes the proposed solution above would best resolve the stated issue however the following proposals are also worthy of consideration.

- I. Where the volume is below the threshold for an ARCA agreement, the user commitment should begin from the day the additional volume is allocated and this be referenced in the application made in the July window.
- II. Inclusion of all incremental increases above baseline during the transitional period, where no investment in infrastructure has been required, in the ARCA sweep up in September 2012. This would remove the requirement for reapplication in the July window for additional capacity which has already been allocated.
- III. Where increased capacity has been allocated which does not require investment in infrastructure to accommodate, the user commitment should be confined to the incremental volume of the capacity at the exit point.

Yours sincerely

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