

22nd March 2009

Andrew Fox
Senior Commercial Analyst
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Dear Andrew

Consultation on the NTS Exit Capacity Release Methodology Statement (ExCR) in respect of the Transitional and Enduring Exit Periods

Thank you for the opportunity to comment on the above consultation.

NGN are supportive of the concept that the 4 year User commitment rule be refined to take account of the scenario, where the User Commitment associated with capacity increases above baseline, are for capacity levels currently agreed for the transitional period.

Relief from User Commitment

Should a User signal retention of the existing capacity (but above the baseline), they would be subject to a four year User commitment. NGN fully support the thinking that any capacity signalled in July 2009 that did not require a revenue driver and/or was below or equal to the existing transitional (agreed) holding, then this request would **not** be subject to a User commitment

Early Satisfaction of User Commitment

NGN welcome the revision to the ExCR which accommodates the possibility of User Commitments being discharged before 4 years have passed, where actual charges exceed the User Commitment amount. NGN also believe that since User Commitment charges are based on indicative charges (some 3 years out), then it is these charges that should be the basis of any repayment (where lower than actuals). It is unreasonable for DNs to stand the risk of actuals being higher. Given that 4 years is a reasonably arbitrary timeframe for User Commitment, the actual repayment period may typically fall a few months (maximum) short of this 48 month period. This risk, however minimal should rest with National Grid Transmission

Yours sincerely

Robert Cameron Higgs
Network Code Manager

