

Andrew Fox
Gas Charging and Access Development
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Dear Andrew,

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

British Gas Trading welcomes the opportunity to provide a response to this consultation.

Specific comments are made below but we have 2 general comments:

1. We consider that many of the rules set out in the document might better sit within the network code, the key contract and reference document for Users. In particular, the rules pertaining to User Commitment would more appropriately reside within Code. There is a possible risk that some Users might give the ExCR document less scrutiny than network code modifications and therefore miss some important developments in the rules. Furthermore, there is the possibility of the ExCR falling out of step with the network code over time: modifications to the network code could trump ExCR rules that would then require further consultation before being themselves modified or removed.
2. It would be very helpful to provide a summary, and if necessary, an appropriate set of definitions for some of the terminology attached to exit capacity and used in the document. We note references to **registered capacity**, **reserved capacity**, **capacity holdings** and **capacity entitlement** that, depending upon the reader's own interpretation, could give rise to confusion or misunderstanding.

ExCR - Part A

It would be helpful to include a description of how capacity will be allocated at interconnector exit points for the Gas Year commencing 1 October 2011: exit capacity is currently allocated in annual tranches and there will likely be a need for shorter tranches in the last Gas Year before the Enduring Exit Period commences. It may be preferable and necessary to raise a network code modification to enable this but we would welcome National Grid's views.

ExCR - Part B

The pseudo assignment rule set out in paragraph 34(d) is helpful but suffers from the lack of transparency (in application) that is expected to exist when assignment is properly systematised. As a minimum, a useful build would be to advance the timescale for the commencement of capacity assignment from August 2011 to, say, May 2011 via a network code modification. This would allow users to more formally assign capacity prior to the July 2011 application window rather than rely on matching increases and reductions which could have commercial consequences should one of the Users fail to make the transaction.

Paragraph 47 refers to capacity release dates for Ad Hoc applications. We would be interested in National Grid's views on allowing release dates beyond 1st October in Gas Year Y+4 as a means to providing Users more flexibility for large projects.

There are several references to negative capacity entitlements (e.g. in paragraph 98) that could result from capacity transfer activity. We are not persuaded that allowing negative capacity entitlement is desirable or beneficial. Can National Grid provide a rationale for this?

Yours sincerely,

Graham Jack
Commercial Manager