



Deeside Power Development Company Limited is part of a joint venture between International Power plc and Mitsui & Co., Ltd.

Deeside Power Limited
Zone 4
Weighbridge Road
Deeside Industrial Park
Deeside
Flintshire
CH5 2UL

Tel + 44 (0)1244 504658
Fax + 44 (0)1244 504681
www.ipplc.com
www.mitsui.co.jp
www.deesidepower.com

Eddie Blackburn
Regulatory Frameworks
National Grid
National Grid House
Gallows Hill
Warwick
CV34 6DA

17th February 2009

Dear Eddie

Re: NTS GCM 05 Re-Consultation: NTS Exit (Flat) Capacity & Exit Reform

International Power-Mitsui (IPM) supports the proposals outlined in this re-consultation paper. Please see our responses on specific change proposals below:

Consistent approach to setting actual, indicative and auction reserve prices for NTS Exit (Flat) Capacity is taken

IPM agrees that the use of the Transportation Model for determining exit capacity prices for annual and enduring capacity and by extension for establishing the daily firm reserve prices represents a consistent and cost reflective approach. Also, given that the Transportation Model is available for Users to undertake their own modelling, IPM believes this transparency should help promote competition.

Nodal NTS Exit (Flat) Capacity prices are generated

IPM supports the calculation of capacity charges on a nodal rather than a zonal basis on the grounds that nodal (offtake specific) capacity allocation represents a more cost-reflective solution.

Interruption credits are removed & for Off-Peak Daily NTS Exit (Flat) Capacity auctions, the reserve price will be zero

IPM agrees that a reserve price of zero is appropriate for the daily off-peak product. Practically, the cost of making the capacity available will have already been met, and the zero reserve price would reflect the flexibility available to the Transmission Operator.

NTS (Flat) Commodity charge rate would be determined from a combination of SO & TO charges

IPM Energy Ltd.
Registered in England: 02704476
Registered Office: Senator House
85 Queen Victoria Street
London EC4V 4DP

IPM agrees that the commoditisation of costs relating to any unsold baseline capacity (assuming some uptake of the daily off-peak capacity) would be reasonable as this ensures any shortfall in transmission system costs is recovered from all users.

If you wish to discuss this response or require any clarification, please do not hesitate to get in touch.

Yours sincerely

Emma Williams
Interim Manager, Market Development