

Andrew Fox  
Senior Commercial Analyst  
Gas Charging & Access Development  
National Grid plc  
National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick. CV 34 6DA

Your ref  
Our ref  
Name Steve Rose  
Phone 01793 892068  
Fax 01793 893981  
E-Mail [stephen.rose@rwenpower.com](mailto:stephen.rose@rwenpower.com)

13<sup>th</sup> August 2008

## Consultation on the NTS Exit Capacity Release Methodology Statement (ExCR) in respect of the Transitional Period

Dear Andrew,

RWE npower welcomes the opportunity to comment on the above consultation and does so on behalf of all its licensed gas businesses and the GB business of RWE Supply and Trading GmbH.

As National Grid recognise, this consultation has been raised in response to UNC Modification Proposal 214 which was raised by RWE Supply and Trading GmbH. We concur with National Grid's view that the desired outcome of Modification Proposal 214 can be more efficiently achieved through changes to the ExCR and welcome the speed with which National Grid have raised this consultation.

We fully support the changes proposed to the ExCR and believe the changes are consistent National Grid's obligations under their licence, and under the Gas Act, to achieve efficient and economic operation of the pipe-line system. This is because under the revised ExCR proposals shippers and developers will be able to reserve existing exit capacity during the Transitional Period via an ARCA (thus making an enhanced user commitment) providing they are able to demonstrate a genuine commitment to pursuing their project.

Modification Proposal 214 proposed removing the 20m therms p.a. threshold National Grid applies when making an ARCA available. This was to provide NTS and GDN shippers with the same ability to reserve existing NTS exit capacity via an ARCA, recognising the fact that new requests for capacity are more likely to be below the threshold on GDNs than on the NTS. However, as GDNs currently have the ability to request exit capacity (or offtake capacity to use GDN terminology) out with the annual application process for any gas year in the Offtake Capacity Statement and as 20m therms p.a. is sufficient for most new NTS load, we no longer think it necessary to remove this threshold and hence support its continued inclusion in the ExCR.

RWE npower

Trigonos  
Windmill Hill Business  
Park  
Whitehill Way  
Swindon  
Wiltshire SN5 6PB

T +44(0)1793/87 77 77  
F +44(0)1793/89 25 25  
I [www.rwenpower.com](http://www.rwenpower.com)

Registered office:  
RWE Npower plc  
Windmill Hill Business  
Park  
Whitehill Way  
Swindon  
Wiltshire SN5 6PB

Registered in England  
and Wales no. 3892782

Modification Proposal 214 also proposed referencing the terms likely to be included in an ARCA within the UNC. Clearly this is out of scope of this consultation and if ARCAs are still to be offered subject only to the provisions of the ExCR, rather than being mandated through the UNC (as proposed by Modification Proposal 214), we do not think it appropriate to continue pursuing this element of the proposal. However, we very much hope that in due course National Grid will consult again on the terms of the generic NTS ARCA as the current document does not reflect the decisions the Authority made in relation to recent ARCA disputes.

In the event this revised ExCR is not vetoed by the Authority we would be prepared to withdraw Modification Proposal 214.

Yours sincerely,

Steve Rose  
Economic Regulation

\*Sent by e-mail and therefore unsigned