



Centrica Plc
Millstream
Maidenhead Rd
Windsor
Berkshire SL4 5GD
www.centrica.com

Malcolm Montgomery
National Grid Gas plc

10th May 2019

Dear Malcolm,

National Grid Gas's Formal Consultation on Capacity Methodologies and Statements

Thank you for the invitation to comment on National Grid's proposed changes to the Capacity Methodology Statements. Centrica offers the following views:

NPV Test for Incremental Entry Capacity

UNC Modification 0667: "Inclusion and Amendment of Entry Incremental Capacity Release NPV test in UNC" has highlighted the need for updating the user commitment generated by the NPV test as it is clearly not conducive to encouraging growth in capacity and, consequently, growth of the GB market. Centrica supports Modification 0667 and is content to have the NPV test moved from the Entry Capacity Methodology Release Statement (ECR) to the UNC. Should the Modification be implemented then the ECR should subsequently be modified to reference the NPV test in the relevant section of the UNC.

Withholding Day-Ahead Obligated Firm Exit Capacity

National Grid has previously attempted to introduce a rule that permits it to withhold (from auction) day-ahead firm exit capacity if a system constraint, potentially affecting the delivery of gas to relevant exit points, is anticipated. Centrica objected to the proposal and does so here again. Further, Centrica is of the view that the ability of National Grid to withhold day-ahead firm entry capacity (from auction) should be removed. In short, National Grid should fully meet its licence obligations with respect to offering firm system capacity.

User Commitment – General Comment

The appropriateness of the current user commitment obligations has been debated in various fora over recent months. It would be helpful if National Grid were to create a formal industry review group to assess the effectiveness and appropriateness of these rules holistically and to develop new user commitment proposals where this would likely give rise to more efficient and fair access to NTS entry and exit capacity.

Yours sincerely,



Graham Jack
Regulatory Affairs Manager