

Sarah Lloyd
National Grid
National Grid House
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

27 February 2015

Dear Sarah,

RE – National Grid’s Informal Consultation on Capacity Methodology Statements

British Gas Trading Limited has the following comments on the Capacity Methodology Statements.

ExCR

Para 15 – it would be useful for National Grid to remind users of this end-date condition in the annual application (non-IPs)/ auction (for IPs) invitation letters.

Para 178 – this appears to have been copied from the ECR but not amended to say “to offtake gas from the NTS at an Exit Point” instead of saying “to deliver gas into the NTS at an Exit IP”

Para 179 – similar comment applies to the second bullet point as for para 178 (currently treating Exit IPs as entry points)

Para 181 and 182 (and elsewhere) – references to “interconnected system” capacity might be better expressed in terms of “an adjacent TSO’s” interconnection point capacity.

Para 183 - we are struggling to understand how the “maximum allowed quantity” is being derived and the rationale for this. It would be helpful to set this out in more detail, with a rationale, and for examples to be provided.

Para 186 - It may be worth qualifying this paragraph by starting it with “Subject to paragraph 188 and 189”.

Para 198 - could the restriction stated in the second sentence (“The withdrawal offer quantity will be subject to...”) potentially give rise to non-compliance the Authority’s direction?

ExCS

Footnote 5 – the 2 points being made in this footnote are important and should be stated in the main body of the document.

Para 22 m – this rule should be debated and reviewed by industry participants. It could be value-destroying in the event that some or all of an adjacent TSO's entry capacity becomes sterilised.

ECR

Chapter Headings – suggest the document more clearly states whether IPs or non-IPs are being addressed. For example, footnote number 20 is used on page 19 for this purpose whereas it would be better to make such distinction in section/ chapter headings.

Paras 73 and 208 – it would be useful to have a separate industry debate on whether capacity should be withheld in the event that National Grid believes this could avert or minimise a capacity constraint.

Paras 194 and 195 (and elsewhere) – references to “interconnected system” capacity might be better expressed in terms of “an adjacent TSO's” interconnection point capacity.

Para 196 – we are struggling to understand how the “maximum allowed quantity” is being derived and the rationale for this. It would be helpful to set this out in more detail, with a rationale, and for examples to be provided.

Para 199 – It may be worth qualifying this paragraph by starting it with “Subject to paragraph 201 and 202”.

Para 213 – could the restriction stated in the second sentence (“The withdrawal offer quantity will be subject to...”) potentially give rise to non-compliance the Authority's direction?

ECS

Footnote 5 – the 2 points being made in this footnote are important and should be stated in the main body of the document. Might capacity retainer rules need to be reviewed in respect of incremental capacity rules at IPs?

Para 22 b) – withheld capacity is not just for Annual Quarterly Auctions (as stated in this new paragraph). It would be better to refer to this as withheld capacity and to write this paragraph in a similar way to para 202 of the ECR with the additional point that such capacity will not be substitutable.

ECTI

No comments.

Yours sincerely,

Graham Jack
Commercial Manager, Regulatory Affairs