

Mrs Fay Geitona
European Regulators Group for Electricity and Gas
28 rue le Titien
1000 Brussels

Graeme Steele
European Policy & Interconnectors
Manager

Graeme.steele@uk.ngrid.com
Direct tel +44 (0)1926 656293
Direct fax +44 (0)1926 656603
Mobile +44 (0)7785 951018

www.nationalgrid.com

26th February 2010

Dear Fay,

Pilot Framework Guideline on Capacity Allocation - An ERGEG Public Consultation Paper

Ref: E09-GNM-10-05

National Grid Gas welcomes the opportunity to comment on the ERGEG consultation document.

It considers that the proposed guideline seeks to provide improved access to the European Gas Transmission System by the introduction of market based mechanisms; that in some cases have similarities to the commercial regime within mainland Great Britain.

National Grid Gas is an active member of the ENTSOG organisation and has taken a leading role within the ENTSOG Capacity working group. It is therefore supportive of the ENTSOG response to this consultation document and will continue to contribute to ERGEG's work primarily through ENTSOG.

National Grid Gas would however like to highlight its concerns on some of the content of the framework guideline which is not currently in place within the GB regime; and that ERGEG needs to fully consider such aspects in relation to these arrangements and the potential impacts this may have on an already transparent and market based regime. For example the differential treatment of market arrangements for interconnection points compared to non-interconnector points on the system and the potential undermining of the value of the firm product (and incremental auction signals) by the introduction of a long term interruptible product.

In addition the definition of some of the Capacity product content in areas of Bundled and Combined products and its relative impacts is not clear. Other aspects such as the Balancing and Tariff areas are not defined, and as such is difficult to provide a clear view upon in relation to any proposed changes.

Furthermore, clarity needs to be developed in terms of a future Code governance process, the interaction between differing elements of the proposed Codes and the maintenance of such arrangements i.e. what is the process for modifying codes in the future as the European market develops and as new Codes are developed in different but interacting areas?

We would therefore welcome a written response in relation to these points raised above.

If you require any further information please do not hesitate to contact myself or alternatively Matthew Hatch (matthew.hatch@uk.ngrid.com).

Yours sincerely



Graeme Steele
European Policy & Interconnectors Manager