

CONSULTATION: National Grid Transco - Potential sale of network distribution businesses

Response from Terra Nitrogen (UK) Limited, a major consumer of gas (350 million therms p. a.) delivered via the National Transmission System.

1. We disagree with Ofgem's opinion that the sale of one or more DNs would result in net benefits to customers.
2. Terra Nitrogen's opinion is that there may well be additional costs due to duplication of certain activities (including balancing activities), due to extra administration (including that caused by the creation of a new commercial interface between the NTS and DN), and due to increased regulatory costs. The case for benefits to customers has not been made.
3. The UK has already created an extremely complicated (arguably unduly complicated) regulatory framework for gas transportation. This should be a time for consolidation and stability and not a time for further change.

We are therefore opposed to any proposed change.

Jim Robertson.