

Stuart Cook  
Director, Transmission  
The Office of Gas and Electricity Markets  
9 Millbank  
London  
SW1P 3 GE

29 July 2009

Dear Stuart,

**Informal consultation on National Grid Gas's National Transmission System (NTS) Gas Transporter Licence condition with respect to Entry Capacity Substitution**

STUK has been an active member of the substitution working groups since they began around 2 years ago and has been party to the many debates between the industry and NG NTS on the interpretation of National Grids Gas Transporter Licence condition with respect to entry capacity substitution.

STUK welcomes Ofgems proposal to review the drafting of the licence condition, albeit at a late stage in the process, to improve clarity of the objectives that are to be achieved and that will be assessed by the authority in reaching a decision on whether or not to approve or veto a substitution application.

STUK support the proposed clarifications to the licence condition and agree that they do not fundamentally change the policy aims and objectives and clarify the principles which should be followed when deciding whether to substitute capacity or not. STUK particularly welcome the inclusion of the point which recognises the need to consider reasonable and foreseeable future demands for entry capacity.

Should you wish to discuss any aspect of this letter further please contact me on the number below.

Yours sincerely

Shelley Rouse  
UK Regulatory Affairs Advisor  
StatoilHydro (UK) Limited