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for energy consumers

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Date: 20 June 2014

Dear Steve,

Entry Capacity Transfer and Trade Methodology Statement: Accompanying Statement

You wrote to us on 20 May 2014, asking to be released from the requirement in Special Condition 9A.7 of your gas transporter licence to provide an Independent Examiner statement alongside the Entry Capacity Transfer and Trade Methodology Statement (the "ECTT") for 2014.

In your letter, you note that since the ECTT has been in place (August 2007), the ECTT methodology has been applied on a number of occasions to facilitate the transfers and trades of Firm Entry Capacity between ASEPs. This has resulted in the release of capacity that would otherwise not have been available and stimulated secondary trading at several locations. However, since April 2009, no transfers or trades of Firm Entry Capacity have been necessary; all capacity requests, at all ASEPs, have been satisfied by using either unsold or surrendered capacity at the same ASEP. You also explain that no significant changes will be made to the ECTT methodology this year and that changes are likely to be limited to those necessary to ensure consistency with the new Licence. Consequently, you consider that an independent examination of the ECTT methodology will provide little or no benefit to Ofgem, NGG or the wider industry.

After having carefully considered your request, we have decided to grant you consent not to provide an Independent Examiner statement pursuant to Special Condition 9A.7 in this instance. The reasons for this decision are set out in the Consent.

Please find the Consent attached to this letter. Both documents are available on our website.

Yours sincerely,

Andrew Burgess
Associate Partner, Transmission and Distribution Policy