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St Lawrence House,
Station Approach,
Horley,
RH6 9HJ

Lesley Ramsey,
UKT Commercial – Floor B3,
National Grid,
National Grid House,
Gallows Hill,
Warwick,
CV34 6DA

30 November 2010

Dear Lesley,

Consultation on “The Exit Capacity Substitution Methodology Statement”

Thank you for providing SGN with the opportunity to comment on the above consultation document. Further to our previous response to the informal consultation SGN has the following comments to make on the specific areas of this document:

Capacity Release Date with Substitution

SGN would favour substitution to apply from any date. This seems a more pragmatic approach allowing substitution to take place earlier, where practical.

Treatment Of Interconnectors

Again SGN has no preferential view on the approach used for Interconnectors, although we do agree that the Moffat Interconnector should be excluded from this methodology due to the constraints that could be placed on the off-take if capacity were removed due to substitution.

Exchange Rate Collar

SGN would agree that an exchange rate collar is not required and it would be appropriate to review this following the initial application.

Partial Substitution

It would appear sensible that national Grid should be able to use partial substitution to avoid investment; however mechanisms need to be put in place to enable this to take place in a timely manner.

Capacity Available for Sale

This would seem to be a logical approach.



We hope you find the above comments helpful.

Yours sincerely

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