

IRL1197

Kevin Chapman
Premier Transmission Limited
100 Thames Valley Park Drive
Reading
Berkshire
RG6 1PT

28 March 2002

Dear Kevin,

PTL Interim Modification Reports (No's. 0001, 0002 and 0003)

Thankyou for your letter dated 12 March 2002, which included Interim Modification Reports relating to Mod 0001, Mod 0002 and Mod 0003.

Under the Transportation Code Modification Rules, consultees can make comment on PTL's conclusions in the report. As a consultee, NIE would make the following comments:

Mod 0001 and Mod 0002

NIE believes that this proposal arises from a flaw within Premier Transmission gas supply arrangements. There are two areas in balancing the supply of gas:

- (i) Balancing charges relating to both positive balances and negative balances; and
- (ii) Sale and purchase of balancing gas.

If everything was accurate, these two areas would cancel out both in terms of therms of gas and in costs/receipts. However, experience has shown that there is always a significant deficit in therms of gas and consequently cost in the Balancing Gas Account. PTL's Code penalises shippers and thereby camouflages the underlying problem and BGT are protesting about it.

NIE does not support BGT's proposal. However, we believe that a full disclosure should be made by PTL giving details of the volumes of gas involved in balancing supplies and identifying where deficits are occurring.

Mod 0003

NIE agrees with PTL's proposal to correct documentation errors within the Transportation Code.

We note that the Modification Rules allow PTL or a consultee to seek the Preliminary View of the Director and we would ask you to confirm that no Preliminary View has been sought.

Yours sincerely,

David Burnett
Power Planning Manager