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Dear Alison

### **National Grid Transmission's Consultation on Capacity Methodology Statements October 2016**

We thank you for the opportunity to comment on the proposals set out in the consultations. This response is provided on behalf of RWE Supply and Trading GmbH and RWE Generation plc.

As part of its review of the Entry Capacity Substitution Methodology Statement and Exit Capacity Substitution and Revision Methodology Statement, National Grid is seeking views on a number of issues and we provide some comments below:

1. The merit order of substitution donor points: There has been general industry support for considering capacity substitution from disconnected sites ahead of live sites. We recognise that there is a discussion to be undertaken around the treatment of disconnected sites more generally, but we support National Grid's initial proposal to include capacity from disconnected sites in the selection of donor NTS Exit Points.
2. The substitution lead time: We agree that the substitution lead time for both entry and exit capacity should be reduced to 1<sup>st</sup> October Gas Year Y+2 from 1<sup>st</sup> October Gas Year Y+4, as this is more consistent with the PARCA timeline.
3. The capacity retainer process: National Grid is proposing to leave the current arrangements unchanged. As long as the principles underpinning the retainer as a means of preserving capacity from being substituted are maintained even with shortened substitution lead times, we support this approach.

If you require any additional information or wish to discuss any aspects further, please do not hesitate to contact me.

Yours sincerely

By email so unsigned

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