

Lewis Hodgart  
Ofgem  
9 Millbank  
London  
SW1P 3HE

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Dear Lewis

**Final proposals on extended transitional NTS Exit capacity and interruption incentive and formal licence consultation under section 23 of the Gas Act 1986**

Thank you for the opportunity to comment on the final proposals set out in your letter of 18 June 2007.

NGN are satisfied with the approach set out by Ofgem. The flat and flex capacity incentive levels are sensibly derived from GDNs BPQ submissions, and provide a reasonable base from which any incentive measurements can be derived.

Secondly, we are pleased to see that the proposed zero incentive level for interruption requirements has been kept under review. The required incentive parameters for the enduring Interruption arrangements from October 2011, may well provide a more appropriate scheme which can be similarly utilised for the transitional periods upto 2010/11.

Please do not hesitate to contact should you wish to discuss our response.

Yours sincerely

Robert Cameron-Higgs  
Network Code Manager