

EU/GB Charging 2019 Implementation

- **Action 0701:** National Grid NTS (PH) and CDSP/Xoserve (SP) to investigate whether a cost associated with Ofgem not issuing a 'minded to' decision for the 0621 suite of Modifications could be identified.
- **Action 0702:** National Grid NTS (PH) and Xoserve (SP) to provide detail on whether production of a 'minded to' notification on the decision for Modification 0621 and its alternatives would reduce the range of system implementation options and its effect on project delivery risk and dependencies.
- **National Grid & Xoserve Response**
- We are currently in the analysis stage of the programme and are looking at solution options for Mod 0621 and alternatives
- It is inevitable that some of this work will be abortive, however:
 - 9 out of the 11 potential 0621 variations can be delivered with similar systems functionality
 - The approach we have taken to the systems analysis commits us to an IT design that has inherent flexibility
- If Ofgem were to rule out certain options, we would re-evaluate our implementation plans
- Whilst a 'minded to' decision could mean that 'unfavoured' options might still be directed for implementation, it would reduce the risk of us implementing functionality that is ultimately not required. However we are not currently able to attach a specific cost to this risk.

EU/GB Charging 2019 Implementation

- **Action 0703:** National Grid NTS (PH) and Xoserve (SP) to articulate the potential impact of a late Ofgem decision on Modification 0621 and its alternatives after March 2019.
- **Action Response**
- The longer any delay beyond March 2019, the greater the risk to timely project delivery and GB compliance with the EU Tariff Code
- We have to publish exit capacity prices at the start of May 2019. If we do not have a decision by March 2019, we could encounter the same difficulty that we are facing with entry capacity prices whereby we publish prices based on one regime but shippers pay based another.

EU/GB Charging 2019 Implementation

- **Action 0704:** National Grid NTS (PH) to produce a table for the August meeting setting out how the different capacity auctions and capacity products for which period are planned to run from July to September 2019 and which pricing basis will apply
- **Action Response**
- Payable prices for each auction that will run between July and September 2019 will be as follows:
- In respect of any auction within which shippers buy capacity for use before 1st October 2019, payable prices will be based on the current charging methodology
- In respect of any auction within which shippers buy capacity for use after 1st October 2019, payable prices will be based on the charging methodology as amended by Mod 0621 or whichever alternate to 0621 is implemented

EU/GB Charging 2019 Implementation

- **Action 0705:** National Grid NTS (PH) to provide more detail in respect of key contacts and project leads in relation to the EU and GB Charging Project.
- **Action Response**
- Programme Manager: Chris Gumbley chris.gumbley@nationalgrid.com , 01926 654071
- Communications and Engagement Lead: Sarah Carrington sarah.carrington@nationalgrid.com , 01926 655560

Impact of Decommissioned Sites

- **Action 0706:** National Grid NTS (PH) to investigate the impact of the potential Theddlethorpe terminal closure in regards to capacity and charging
- **Action Response**
- We currently expect Theddlethorpe terminal to cease flowing into the NTS before the end of 2018
- We confirmed in our latest Gas Ten Year Statement that Theddlethorpe will be removed from our charge setting process for October 2019 onwards
- To discharge action 0706, we have analysed the impact on charges if Theddlethorpe supply had been excluded from price setting for 2018/19
 - If Theddlethorpe supply had been reduced from its current 18 GWh/d to zero, the charging model would have made up the shortfall from LNG
 - The analysis showed that Barrow gas would be assumed to penetrate deeper into the network resulting in an increase to the Barrow NTS entry capacity reserve price of 0.0009p/kWh/d
 - The Milford Haven reserve price would also have increased by 0.0012p/kWh/d, not because of deeper penetration but as a result of the need to balance entry and exit charges 50/50
 - A few other entry points would have seen small increases in their reserve prices, no greater than 0.0002p/kWh/d

Non-Operational Sites

- **Action 0707:** National Grid NTS (PH) to look into providing a list of sites that are in the licence with no baseline and those that have never had capacity booked against, and those which are known to no longer be operational.
- **Action Response**
- Sites appear below in that are:
 - In the NTS Licence, and have a zero firm capacity release obligation.
 - Do not have capacity made available in the auctions and have never had capacity booked against them.

Air Products (Teesside)	Coryton 2 (Thames Haven) Power Station	Saltfleetby Storage (Theddlethorpe)
Bacton (Baird)	Crawley Down	Spalding 2 (South Holland) Power Station
Brine Field (Teesside) Power Station	Deborah Storage (Bacton)	Tilbury Power Station
Barrow (Bains)	Drakelow Power Station	Trafford Power Station
Barrow (Gateway)	Hatfield Power Station	Willington Power Station
Cambridge	Rollswood Kintore	Wyre Power Station
Cockenzie Power Station	Canonbie	

Historic Non-Obligated Capacity

- **Action 0102:** National Grid NTS (PH) to provide information on how often National Grid NTS had accepted or declined non-obligated capacity requests in the past. PH said that he would investigate providing a summary rather than numbers about the historic non-obligated release and if there had been any trends, in regards to seasonal, locational, quantity etc.
- **Action Response**
- We continue to experience difficulties in extracting this data and instead provide commentary to discharge this action
- We will always consider releasing non-obligated capacity on both a long and short term basis where there is customer driven demand
- We release this capacity based upon a risk vs reward assessment
 - Where such capacity release would not generate revenue and/or where it is considered that the additional release presents risk to meeting existing customer bookings of obligated firm then such requests would probably be rejected.
 - Short term non-obligated capacity release is more likely given the greater certainty of supply and demand as the gas day approaches
- There is generally a higher demand for capacity in the winter months which corresponds with greater demand and more frequent release of non-obligated capacity and for higher quantities. The locations at which non-obligated capacity requests are received varies from year to year.

BBL Exit Capacity

- **Action 0708:** National Grid NTS (PH) to investigate in the event that a competing auction for the NTS exit capacity were introduced at Bacton, to make available the exit capacity that is the sole preserve of IUK to be made available to BBL shippers, in the event that a shipper wanted to access interruptible capacity at Bacton would there be a risk profile change?
- **Action Response**
- If a competing auction was introduced for exit capacity at Bacton, we would expect to sell more firm exit capacity. The more firm exit capacity that we sell, the greater the chance of interruptible capacity holders being scaled back.