

Representation - Draft Modification Report UNC 0629S

Standard Design Connections: A2O connection process modification

Responses invited by: **5pm on 12 July 2018**

To: enquiries@gasgovernance.co.uk

Representative:	Nicola Lond
Organisation:	National Grid Transmission
Date of Representation:	09/07/18
Support or oppose implementation?	Support
Relevant Objective:	c) Positive d) Positive

Reason for support/opposition: Please summarise (in one paragraph) the key reason(s)

As the Proposer, National Grid NTS fully supports the implementation of the proposal in order to implement the NIC Project CLoCC objectives of reducing time and money for customer connections to the National Transmission System.

National Grid NTS believes that UNC Modification 0629s furthers the relevant objectives as outlined in the Draft Modification Report as follows

- c) Efficient discharge of the licensee's obligations. - This Modification will enable National Grid NTS to discharge its Gas Transporter Licence obligation to accommodate NTS connection requests in a quicker and cheaper manner.
- d) Securing of effective competition between shippers. - This Modification aims to encourage new types of customers to connect to the NTS, thus expanding the range of supply sources. Greater availability and diversity of supply promotes effective competition between shippers and may result in downward pressure on wholesale gas prices. This Modification also opens up the NTS to a wider range of potential Exit customers.

In addition, we consider that the Modification furthers Section Y (Connection Charging Methodology) Relevant Objectives:

- b) Charging methodology properly takes account of developments in the gas transportation business - We expect a growth in unconventional supplies of gas to the NTS and our customer base to broaden as a result. The changes to UNC TPD Section Y proposed by this Modification aim to facilitate this development in the gas transportation business.

- c) Compliance with the charging methodology facilitates effective competition between gas shippers and between gas suppliers - The Modification will introduce appropriate changes to the Connection Charging Methodology within the UNC to allow reduced connection application fees to be applied where possible, potentially encouraging new customers to connect to the NTS and promoting new and more diverse sources of supply, thereby strengthening competition between gas shippers.

Self-Governance Statement: *Please provide your views on the self-governance statement.*

National Grid NTS agrees with the self-governance statement and supports self-governance.

Implementation: *What lead-time do you wish to see prior to implementation and why?*

Whilst we understand that the Modification can be implemented 16 business days after Panel direction, (subject to no appeal being raised), we propose that an implementation date of 30th October 2018 is appropriate in order to align with the completion of Project CLoCC.

Impacts and Costs: *What analysis, development and ongoing costs would you face?*

National Grid NTS does not expect there to be any ongoing costs as a result of this modification.

Legal Text: *Are you satisfied that the legal text will deliver the intent of the Solution?*

National Grid NTS is satisfied that the legal text proposed will deliver the intent of this modification proposal.

We would like to point out that in the Final Modification Report some of the inclusion of new Legal Text was not highlighted as follows and a spelling error has been corrected. An updated version has been provided to the Joint Office for clarification. This is not material and does not change the meaning of the Legal Text.

- V13.1.2 -
(b) the requested technical data has been fully provided and the applicant has indicated whether or not the application relates to a Standard Design Connection; and
- V13.1.6 – (spelling correction)
(a) a standard design connection in accordance with the document named 'National Grid T/PM/G/19 – Management Procedure for Application of Model Design Appraisals for Entry and Exit Connections up to 300mm Minimum Offtake Connections'; and
- V13.2.3
For the avoidance of doubt, no reconciliation under paragraph 13.2.2 shall be undertaken in relation to an Initial Connection Offer or an Initial Connection Application or, in relation to a Standard Design Connection, a Full Connection Offer or a Full Connection Application
- Y4

Deleted: ;

Deleted: such

Deleted: ;

National Grid will recover the Actual Costs incurred when it carries out Construction Works in relation to both Non-Standard Design Connections and Standard Design Connections. Actual Costs are recovered on a cost pass-through basis

- Y7

National Grid may carry out work additional to that which is required to meet the requirements of the customer (in relation to both Standard Design Connections and Non-Standard Design Connections) to ensure that it develops the NTS in an economic and efficient manner. Where this occurs, the cost of any additional works will not be charged to the customer.

- Y10

National Grid will enter into commercial agreements with customers in relation to Non-Standard Design Connections and Standard Design Connections on the basis of Estimated Costs, and will seek an advance payment of these Estimated Costs in accordance with both the relevant commercial agreement and National Grid's prevailing credit policy.

Are there any errors or omissions in this Modification Report that you think should be taken into account? *Include details of any impacts/costs to your organisation that are directly related to this.*

Only regarding the highlighting of new Legal Text inclusion as mentioned above.

Please provide below any additional analysis or information to support your representation

National Grid NTS is satisfied that all the necessary information is contained within the Draft Modification Report.