

Representation - Draft Modification Report UNC 0759S

Enhancement to NTS Within-Day Firm Entry and Exit Capacity Allocations

Responses invited by: **5pm on 11 June 2021**

To: enquiries@gasgovernance.co.uk

Please note submission of your representation confirms your consent for publication/circulation.

Representative:	Anna Stankiewicz
Organisation:	National Grid NTS
Date of Representation:	11/06/2021
Support or oppose implementation?	Support
Relevant Objective:	<p>a) Positive</p> <p>d) Positive</p>

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

The Modification proposal aims to enhance the frequency at which capacity is made available by making the existing within day NTS Firm Entry and Exit capacity products more regularly accessible for purchase and therefore allowing Users the opportunity to book capacity at more frequent intervals throughout and at the end of the delivery period.

The introduction of hourly allocation windows for NTS Firm Exit Capacity and an additional allocation window for both NTS Firm Entry and Exit Capacity at the end of the Gas Day will provide Users with more opportunity to purchase Capacity that better reflects their anticipated gas flows leading to more efficient operation of the system.

The additional allocation windows for the purchase of NTS Capacity provides Users with greater ability to match NTS Capacity bookings to intended flow. This has the effect of reducing User risk of acquiring unwanted NTS Capacity leading to more being available for other Users. On the contrary, less stranded capacity will reduce the risk of under-booking Capacity and the potential exposure to overruns. Any reduction in costs to Users will facilitate competition and therefore further Relevant Objective (d), additionally it may then lead to a reduction in cost to consumers.

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

The changes introduced in this Modification do not amend the volume of Capacity offered or the reserve price. The proposal only increases the frequency at which Capacity is made available to Users therefore this proposal does not have a material impact on competition or the commercial arrangements between Transporters and Users and meets the Self-Governance criteria.

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

There are considerable system changes required as a part of the implementation of this modification. An estimated delivery in the ROM is 16-18 weeks plus a 3-month lead time for start-up/sanction/mobilisation. Due to this timeline, implementation of the legal text into the UNC needs to be considered. We see that there are two options;

1. upon decision to implement the modification (or following the 16 days appeals window). In this situation the legal text would appear in the UNC but the physical ability to use the amended products would not be available until the system solution is implemented; or,
2. upon implementation of the system changes. In this situation the legal text would appear in the UNC when the amended products are physically available to use in the system, removing the period of having an unusable section of the code.

National Grid's preferred option is to implement the legal text at the same time as the system changes (i.e. option 2) and therefore, should this modification be approved, National Grid NTS proposes implementation should follow these steps:

1. Following decision, a Notice of Implementation shall be issued which states the implementation date as "to be determined".
2. In the next Code update, as close to the decision date as is operationally possible, a footnote would be added to the impacted sections of the UNC text that identifies the future implementation of the modification which would amend that section.
3. Once a firm date for implementation of the system changes is identified, a further Notice of Implementation shall be issued confirming this as also being the date at which the legal text is implemented in the UNC.

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

National Grid NTS will be subject to the costs of system implementation as outlined in the ROM, which are expected to be in the range of £200,000 to £250,000 to implement.

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

National Grid NTS are satisfied that the legal text delivers the intent of the Solution.

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.*

N/A

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

N/A