

Workstream Report
Provision of Exit Information at all NTS Exit Points for the transitional exit period
Modification Reference Number 0269
Version 1.0

This Workstream Report is presented for the UNC Modification Panel's consideration. The Transmission Workstream considers that the Proposal is sufficiently developed and should now proceed to the Consultation Phase. The Workstream does not recommend that the Panel requests the preparation of legal text for this Modification Proposal.

1 The Modification Proposal

Where capitalised words and phrases are used within this Modification Proposal, those words and phrases shall usually have the meaning given within the Uniform Network Code (unless they are otherwise defined in this Modification Proposal). Key UNC defined terms used in this Modification Proposal are highlighted by an asterisk () when first used. This Modification Proposal*, as with all Modification Proposals, should be read in conjunction with the prevailing UNC.*

There has been extensive Industry consultation in relation to the reform of the NTS Offtake* arrangements, with 7 UNC Modification Proposals ultimately being considered by Ofgem (0116V, 0116CVV, 0116BV, 0116VD, 0116A, 0195 and 0195AV). This consultation culminated in Ofgem's decision on 19th January 2009 to implement Modification Proposal 0195AV with an implementation date of 1st April 2009. As a result of the approval of UNC Modification Proposal 0195AV, National Grid NTS has an UNC obligation to make available information at all NTS Exit Points (including Moffat and Bacton) for the period 1st October 2012 onwards (enduring exit period). The publication of this enduring NTS Exit Capacity data aligns the exit regime with the entry regime and goes beyond the minimum definition of relevant points as stated in Article 6 of the European Commission (EC) Regulation 1775/2005.

The Proposer believes that the UNC Modification Proposals 0195AV, Licence modifications and associated consultations also meets the requirements regarding the publication of data in respect of relevant points as contained in Article 6 EC Regulation 1775/2005. Indeed, the publication of this enduring NTS Exit Capacity data contains data additional to the minimum required by Article 6.

However, there is no UNC obligation for National Grid NTS to publish the same enduring NTS Exit Capacity data for the period from the date of implementation of this Proposal until 30th September 2012 (the transitional exit period). National Grid NTS believes such publication will enable Users to access the same information for the transitional period that will be available in the enduring regime and ensure that the requirements regarding the publication of data in respect of relevant points as contained in Article 6 EC Regulation 1775/2005 are met in the transitional period.

To be consistent with the enduring exit period National Grid NTS proposes to publish the following information during the transitional period on a monthly basis by System Exit Point on the first business day of the month.

- Baseline NTS Exit (Flat) Capacity

- Remaining Available NTS Exit (Flat) Capacity
- Maximum Supply Point Offtake Rate (MSPOR)
- NTS Offtake (Flat) bookings at individual Distribution Network offtakes
- NTS Exit Capacity bookings at offtakes connected to the NTS
- Aggregate NTS Exit Capacity bookings at interconnectors.
- Actual NTS interruption by offtake: currently provided on a zonal basis

National Grid NTS believe that the development of its existing information publication obligations will benefit the Industry and lead to increased transparency in the interim exit period enabling Users to more fully understand the technical, contracted and available exit capacity for each NTS Exit Point.

2 User Pays

a) **Classification of the Proposal as User Pays or not and justification for classification**

Implementation would not affect xoserve systems or procedures and therefore would not be affected by User Pays governance arrangements.

b) **Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification**

Not applicable.

c) **Proposed charge(s) for application of Users Pays charges to Shippers**

Not applicable.

d) **Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from xoserve**

Not applicable.

3 **Extent to which implementation of the proposed modification would better facilitate the relevant objectives**

Standard Special Condition A11.1 (a): the efficient and economic operation of the pipe-line system to which this licence relates;

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (b): so far as is consistent with subparagraph (a), the coordinated, efficient and economic operation of

(i) the combined pipe-line system, and/ or

(ii) the pipe-line system of one or more other relevant gas transporters;

Implementation would increase the availability of information at all exit system

points. It would increase transparency at these points enabling Users to better understand their requirements and provide more accurate information to National Grid NTS, potentially enabling both more economic and more efficient pipeline investment and operation.

Standard Special Condition A11.1 (c): so far as is consistent with subparagraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (d): so far as is consistent with subparagraphs (a) to (c) the securing of effective competition:

- (i) between relevant shippers;***
- (ii) between relevant suppliers; and/or***
- (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers;***

Implementation would assist Users by clearly showing the NTS Exit Capacity likely to be available at any exit point by allowing Users access to information on exit points during the interim period in addition to those published for the enduring period.

Standard Special Condition A11.1 (e): so far as is consistent with subparagraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards... are satisfied as respects the availability of gas to their domestic customers;

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (f): so far as is consistent with subparagraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code;

Implementation would not be expected to better facilitate this relevant objective.

4 The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation

No implications on security of supply, operation of the Total System or industry fragmentation have been identified.

5 The implications for Transporters and each Transporter of implementing the Modification Proposal, including:

a) Implications for operation of the System:

By increasing the availability of information at all exit system points, Users would better understand their requirements and provide more accurate information to National Grid NTS. This would potentially enable more economic and efficient pipeline operation.

b) Development and capital cost and operating cost implications:

None identified.

c) Extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:

Not applicable.

d) Analysis of the consequences (if any) this proposal would have on price regulation:

Not applicable.

6 The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal

Not applicable.

7 The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users

Not applicable.

8 The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk

Administrative and operational implications (including impact upon manual processes and procedures)

Users would have access to additional information that would facilitate greater transparency and more information on which Users can base their decisions. It is not anticipated that implementation would have a significant User impact on administrative and operational activities.

Development and capital cost and operating cost implications

No development, capital or operating cost implications have been identified.

Consequence for the level of contractual risk of Users

No consequences on the level of contractual risk have been identified.

- 9 The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party**
- Not applicable.
- 10 Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal**
- Implementation would enable National Grid NTS to more fully meet EC Regulation 1775/2005, which requires information to be published by TSOs on entry and exit capacity at all relevant system points.
- 11 Analysis of any advantages or disadvantages of implementation of the Modification Proposal**
- Advantages**
- As identified above.
- Disadvantages**
- None identified.
- 12 Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)**
- None received.
- 13 The extent to which the implementation is required to enable each Transporter to facilitate compliance with safety or other legislation**
- Implementation is not required to enable each Transporter to facilitate compliance with safety or other legislation.
- 14 The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence**
- Implementation is not required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence.
- 15 Programme for works required as a consequence of implementing the Modification Proposal**
- No programme for works would be required as a consequence of implementing

the Modification Proposal.

16 Proposed implementation timetable (including timetable for any necessary information systems changes and detailing any potentially retrospective impacts)

This Proposal could be implemented with immediate effect following direction from Ofgem.

17 Implications of implementing this Modification Proposal upon existing Code Standards of Service

No implications of implementing this Modification Proposal upon existing Code Standards of Service have been identified.

18 Workstream recommendation regarding implementation of this Modification Proposal

This Workstream Report is presented for the UNC Modification Panel's consideration. The Transmission Workstream considers that the Proposal is sufficiently developed and should now proceed to the Consultation Phase. The Workstream does not recommend that the Panel requests the preparation of legal text for this Modification Proposal.