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Re: UNC Modification Proposal 0342 – Amendment to the DN Adjustment Window

Dear Tim

Thank you for your invitation seeking representations with respect to the above Modification Proposal. As Proposer National Grid NTS supports implementation of Modification Proposal 0342.

Rationale

The current Offtake Capacity Statement (OCS) and Offtake Pressure Statement (OPS) process is structured in such a way that National Grid NTS and the DNO User(s) have a limited amount of time when undertaking analysis following the indicative OCS/OPS statements. National Grid NTS has brought forward this Proposal in order to enhance the post indicative OCS/OPS statement process by extending the timescales available for both the DNO User(s), and National Grid NTS when assessing their requirements, thereby improving the effectiveness of the process and providing the most efficient and economic outcome. To ensure both consistency and efficiency National Grid NTS has proposed that the same extended timescales are applied for both the Transitional and Enduring periods. This process may enable the DNO User to better evaluate the indicative OCS/OPS statement and undertake further analysis prior to their resubmissions.

National Grid NTS also believes that extending the time period for National Grid NTS to evaluate resubmitted applications from DNO User(s) will allow National Grid NTS to analyse the National Transmission System in more detail when assessing whether they will be able to meet DNO User requirements. This additional time will also ensure that further options can be identified, discussed and appropriate solutions developed. This may result in National Grid NTS identifying alternative solutions to reinforcement for (NTS Exit (Flat) Capacity) which meet the requirements of the DNO User(s), reduce National Grid NTS investment costs and utilise the system in the most efficient and economic manner.

Extent to which implementation of Modification Proposal 0342 would better facilitate the achievement (for the purposes of each Transporter's Licence) of the relevant objectives

National Grid NTS considers this Proposal would, if implemented, better facilitate the following Relevant Objectives as set out in its Gas Transporters Licence:

- ***Standard Special Condition A11.1(a): the efficient and economic operation of the pipeline system to which this licence relates;*** For the reasons given below, the Proposer believes that this Proposal will better facilitate relevant objectives A11.1 (a):

  Implementation of this proposal will embed additional time into the OCS/OPS process for National Grid NTS to undertake more detailed analysis of its network following a DNO User(s) resubmitting its submissions for NTS (Exit) Flat Capacity, NTS Exit (Flexibility) Capacity and/or Assured Offtake Pressures. This will enable National Grid NTS to engage in more detailed discussions with the DNO User(s) regarding their revised applications for NTS (Exit) Flat Capacity, NTS Exit (Flexibility) Capacity and/or Assured Offtake Pressures. This may better facilitate National Grid NTS' decisions with regards to the capabilities of the NTS and help National Grid NTS to meet DNO User requests in the most efficient and economic manner.

  Embedding additional time within the process may also enable National Grid NTS to better assess and evaluate supply patterns to constrained areas of the network and by undertaking more detailed analysis be able to assess with increased confidence whether there will be sufficient levels of supply to meet any additional DNO commitments.

  The proposal will also allow for more options to be discussed between National Grid NTS and the DNO User(s) following resubmitted allocations. This may result in National Grid NTS being able to identify alternative solutions to reinforcement that meet the requirements of the DNO User(s). This will help to ensure that the system is utilised in the most economic and efficient manner by avoiding potentially unnecessary investment costs.

- ***Standard Special Condition A11.1 (b): so far as is consistent with sub-paragraph (a), the coordinated, efficient and economic operation of (i) the combined pipeline system , and/ or (ii) the pipe-line system of one or more other relevant gas transporters;*** For the reasons given below, the Proposer believes that this Proposal will better facilitate relevant objectives A11.1 (b);

  As stated above for Standard Special Condition A11.1 (a) Implementation of this proposal will embed additional time into the process for a DNO User to undertake more detailed analysis of its network after receiving their initial allocations for NTS Exit (Flat), NTS (Flexibility) and/or Assured Offtake Pressures. This will enable the DNO User(s) to evaluate, with increased confidence, whether their indicative allocations will be sufficient to manage their own network/s, meet their relevant customer requirements and therefore better facilitate their decisions regarding any revised applications to National Grid NTS. The Proposal will also provide the DNO User(s) and National Grid NTS with additional time when discussing the DNO User(s) revised applications. This may better facilitate National Grid NTS in its decision making with regards to the capabilities of the NTS and help it to meet the DNO User(s) requests in the most efficient and economic manner. The combination of more detailed analysis and dialogue between National Grid NTS and the DNO User(s) regarding each others system requirements may aid in the decision making process to support both the efficient utilisation of an individual DNO User(s) system and the economic and efficient operation of the overall combined pipeline system.

  Also as seen above for Standard Special Condition A.11.1 (a) Embedding additional time in the process may enable National Grid NTS to undertake more detailed analysis of its own network thereby utilising the information provided by the DNO User(s) to better assess and evaluate supply patterns to constrained areas of the network and then, by undertaking more detailed analysis, be able to assess with increased confidence, whether there will be sufficient levels of supply to meet any additional DNO commitments. This will allow for more options to be assessed when the DNO User(s) resubmit their allocations, ensuring that reinforcement can be avoided, where possible and an alternative solution maybe found that then meets their requirements of both the DNO User(s) and National Grid NTS. This will help to ensure that the overall combined pipeline system is utilised in the most efficient and economic manner by avoiding what maybe unnecessary investment cost and time delays whilst also meeting the supply and demand requirements of the overall combined pipeline system.

If you have any questions, please do not hesitate to contact me

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