

Representation

Draft Modification Report

0407: Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users

Consultation close out date: 06 September 2013
Respond to: enquiries@gasgovernance.co.uk
Organisation: National Grid NTS
Representative: Martin Connor
Date of Representation: 05 September 2013

Do you support or oppose implementation?

Support/Qualified Support/Neutral/Not in Support/Comments* *delete as appropriate*

Please summarise (in one paragraph) the key reason(s) for your support/opposition.

The final proposal brings consistency in the treatment by National Grid NTS of requests made by offtake users for short term system flexibility. It introduces a single methodology for this purpose, to cover all types of request, including requests outside of the '2 hour 5 per cent rule' made by GDNs. This represents a workable contract between transporters, given the high investment costs that were identified during the development of the original version of this modification. For National Grid NTS, the costs were associated with the removal of the rule (as the proposer originally proposed). For GDNs, costs of always retaining the current application of the rule were identified. The final proposal strikes an appropriate balance between the interest and requirements of all NTS connected parties.

Are there any new or additional issues that you believe should be recorded in the Modification Report?

No

Relevant Objectives:

How would implementation of this modification impact the relevant objectives?

National Grid NTS agrees with the stated impacts on the Relevant Objectives indicated in the Draft Modification Report.

Impacts and Costs:

What analysis, development and ongoing costs would you face if this modification were implemented?

National Grid NTS will have to review its procedures for issuing notices in relation to the restriction of short term flexibility, and adapt its procedures to encompass day-ahead notices in relation to the '2 hour 5 per cent rule'.

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What lead-time would you wish to see prior to this modification being implemented, and why?

National Grid NTS supports the implementation timescales proposed in the Draft Modification Report.

Legal Text:

Are you satisfied that the legal text will deliver the intent of the modification?

Yes

Is there anything further you wish to be taken into account?

Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.

Throughout the development of this proposal National Grid NTS has sought to balance the requirements of all of its connected customers. The offtake arrangements for Distribution Network offtakes impact the offtake arrangements for all other NTS Directly Connected customers. It is important therefore to ensure that offtake arrangements are developed in a manner that is seen to ensure no undue discrimination between these contracted parties, and efficient development and operation of the pipeline system. It was with this in mind that National Grid NTS worked with the Proposer and put forward the suggested revised arrangements which formed the basis of the final proposal.

National Grid NTS wishes to emphasise that, under the proposed solution, the '2 hour 5 per cent rule' will not be switched on and off. The rule will remain in place at all times. National Grid NTS may accept OPNs that request flow rate changes which are outside of the rule (in accordance with National Grid NTS' 'Short Term Access to System Flexibility Allocation Methodology') where to do so would not give rise to an Operational Balancing Requirement.

National Grid NTS will endeavour always to issue a notice warning that OPNs outside of the rule may need to be rejected before having to reject OPNs. However, there may be circumstances where such notice cannot be given, and where National Grid NTS has to move straight to OPN rejection.

Following the issue of either a D-1 or D short term system flexibility restriction notice it is the expectation of National Grid NTS that all offtakes, including LDZ aggregates, will comply with the contractual offtake requirements as set out in the UNC.