

Workgroup Terms of Reference

0417S: Notice for Enduring Exit Capacity Reduction Applications

Date referred from Panel:

16 February 2012

Background – Why Change?

Please refer to www.gasgovernance.co.uk/0417

Solution

It is proposed to amend the “14 months notice rule” such that Users holding incremental Enduring Annual NTS Exit (Flat) Capacity and expecting to satisfy the UCA within 12 months from the first day of booking are allowed to make an application during the Reduction Application Window preceding the first day of booking for any reduction of current holdings with effect from any day after the UCA has been satisfied.

National Grid (NG) will not reject such an application unless NG reasonably forecasts the UCA to be unfulfilled within 12 months from the first day of booking (given the prevailing charges at the time of the reduction application).

NG will provide a provisional notice of the requested reduction (amount and date) no later than 30 September in the Gas Year Y, while a final confirmation will be given no later than 2 months before the reduction will take place, i.e. when NG has certainty around both actual charges and the date when the UCA will be effectively satisfied.

Topics for Discussion

- Understanding the objective
- Assessment of alternative means to achieve objective
- Development of Solution (including business rules if appropriate)
- Assessment of potential impacts of the modification
- Assessment of implementation costs
- Assessment of legal text.

Outputs

Produce a Workgroup Report for submission to the Modification Panel, containing the assessment and recommendations of the Workgroup.

Composition of Workgroup

The Workgroup is open to any party that wishes to attend or participate.

A Workgroup meeting will be quorate provided at least two Transporter and two User representatives are present.

Meeting Arrangements

Meetings will be administered by the Joint Office and conducted in accordance with the Code Administration Code of Practice.