

Removal of the Condition 16 for New CSEP's

- What is the Condition 16? We believe that the original purpose of the Condition 16 was so that iGT's could inform DNOs as to where future potential demand maybe required so that the DN's could plan capacity/general reinforcement over a longer period of time.
- What is the justification for removing the Condition 16 offer? Typically, the iGT will not know how many supply points may be added to the CSEP so the Condition 16 is an assumption for future demand and not guaranteed to ever materialise.
- What is the impact of accepting a Condition 16 demand? Capacity is reserved on the Distribution Network Operators network by the iGT this is just in case the development progresses years later when chargeable reinforcement may apply resulting in other parties paying for unnecessary reinforcement of the network.

Benefits of removing the Condition 16 offer

- Capacity is booked at an offtake level based on the registered/contracted demand of the IGT at a given point in time, this typically reserved at individual sites over the 10 year forecast period. By removing the condition 16 we would potentially have more realistic bookings year on year (based on the IGT demand) therefore potentially having less un-used capacity on the network.
- Network models will be more reflective of actual demand rather than future potential demand.
- Unnecessary reinforcement projects will be avoided with the potential to speed up new connections that are able to use any existing spare capacity on the network without the need to wait until a reinforcement project is complete.



Review of Code Obligations to provide Condition 16 offer

We have looked in the following documents and can find no obligations for DN's to offer Condition 16 demands.

- IGTAD
- Connections Charging Statement
- Final Connections Agreement
- IGEM/TD/101 Ed.3 – Adoption of Pipe Systems by an GT (this make reference to future loads but not the Condition 16)
- The link below details the IGT's Standard Licence Condition 16 this can be discharged by the iGT providing their proposed Year 1 – Year 10 demands and has no mention of a potential future demand. https://epr.ofgem.gov.uk/Content/Documents/Gas_transporter_SLCs_consolidated%20-%20Current%20Version.pdf