

# Workgroup 0887: Facilitating Bi-Directional Connections Between IGT Pipelines and the NTS

## Discussion Point 1: from UNC Transmission Workgroup Minutes - Thursday 04 July 2024

### **2. Pre-Modification Discussions**

#### **2.1. 08XX- Facilitating Bi-Directional Connections Between iGT Pipelines and the NTS**

*“Ritchard Hewitt (RH) noted that he is not sure whether Transporter can buy capacity as per TPD Section B System Use and Capacity.”*

### **NGT Response**

Under the existing UNC regime NTS Exit Capacity is made available Distribution Network Operators (DNOs) at NTS/DN Offtakes as per UNC TPD Section B. The current solution would require equivalent provision to be made in UNC for iGTs to be able to procure NTS Exit Capacity.

Relevant extracts from the prevailing UNC (setting out terms for DNOs) are set out below:

## **TPD SECTION B – SYSTEM USE AND CAPACITY**

### **1. INTRODUCTION**

#### **1.1 Use of System**

1.1.2 **DNO Users may use the NTS** by causing or permitting the flow of gas (or changes in the flow of gas) at an NTS/LDZ Offtake from the NTS to the LDZ, but without prejudice to Section J1.5.2 and in this Section B references to a DNO User offtaking gas at an NTS/LDZ Offtake shall be construed in accordance with Section J1.3.4.

#### **1.2 System Capacity**

1.2.1 **Users may apply for, reserve and hold capacity** in a System ("**System Capacity**") at certain System Points.

1.2.3 For the purposes of the Code:

(b) "**NTS Exit Capacity**" at an NTS Exit Point is **capacity in the NTS which a User is treated as utilising in offtaking gas from the NTS** and (in the case of an NTS Supply Point and NTS Connected System Exit Point the Total System) **at that NTS System Exit Point**;

(c) NTS Exit Capacity comprises:

(i) "**NTS Exit (Flat) Capacity**", which is capacity which a **User is treated as utilising in offtaking gas from the NTS** at a rate which (for a given Daily Quantity) is even over the course of a Day; and

(ii) "**NTS Exit (Flexibility) Capacity**", which is capacity which a **DNO User is treated as utilising, in offtaking gas from the NTS** to the extent that (for a given Daily Quantity) the rate of offtake or flow is not even over the course of a Day;

## 1.12 DNO Users

In this Section B **references to Users shall**, except in paragraphs 1.2.3(a), (d) and (e), 2 and 4, **include DNO Users**.

Capacity Reserve Prices for each NTS>DN Offtake are determined and set out in our [Transportation Statement](#), for example:

**Table 8 NTS TO Exit (Flat) Capacity Charges from 1 October 2024, p/kWh/d**

Offtake Point	Type of Offtake	NTS Exit (Flat) Capacity Reserve Price (p/kWh/day) in relevant Gas Year				
		2024/25 Final	2025/26 Indicative	2026/27 Indicative	2027/28 Indicative	2028/29 Indicative
Bacton	GDN (EA)	0.0265	0.0311	0.0314	0.0329	0.0344
Brisley	GDN (EA)	0.0265	0.0311	0.0314	0.0329	0.0344
Cambridge	GDN (EA)	0.0265	0.0311	0.0314	0.0329	0.0344
Peterborough Eye (Tee)	GDN (EA)	0.0265	0.0311	0.0314	0.0329	0.0344
Great Wilbraham	GDN (EA)	0.0265	0.0311	0.0314	0.0329	0.0344

## **Discussion Point 2: from UNC Transmission Workgroup 0887 Minutes - Thursday 01 August 2024)**

*“NK questioned whether it was legal, under the Gas Act, to charge parties other than Shippers. PL advised that this was being looked into.”*

### **NGT Response**

The Gas Act includes provision for prohibition of unlicensed activities relating to gas, accordingly there is provision for certain activities to be licensed including:

- the conveyance of gas through pipes (*‘gas transporter’*); and
- making arrangements with a gas transporter to introduce into, convey by means of or taken out of its pipeline (*‘gas shipper’*).

There is specific prohibition on one entity holding both a gas transporter and a gas shipper licence.

At points of offtake from the NTS to DNs gas is taken out of the NTS and introduced into the DN. The UNC deals with this by classifying gas flowing at such points as being offtaken from (the NTS), and simultaneously delivered to (the DN) by *Shipper Users*, see TPD Section J1.3.2(a) below. The UNC is explicit that the Transporter *shall not* be treated as taking the gas out of the upstream System nor putting it into the downstream System (see TPD Section J1.3.2(d), below). Therefore, in this instance the DN is *not* acting as a Shipper as it is not making arrangements with NGT to introduce into, convey by means of or take out gas from the NTS hence there is no contravention of the Gas Act.

The UNC also provides for DNOs to be classified as User of the NTS (a ‘DNO’ User’) *“where the context requires”* (see TPD Section J1.3.1(d)). As set out above in response to the first question, the UNC includes provision for DNO Users to procure Exit Capacity at NTS>DN offtakes hence charges for provision of this Exit Capacity (as set out in the prevailing Transportation Statement) are levied to the DNOs who procure this capacity.

## **OAD SECTION A – SCOPE AND CLASSIFICATION**

### **2 Offtake Definition**

#### **2.1 Offtake**

2.1.1 An "**Individual Offtake Point**" is an Individual System Point which is the point of connection between:

- (a) the **NTS and an LDZ**; or
- (b) two LDZs which are not comprised in the same Distribution Network;

comprising a single pipe at which gas can flow from the **NTS into the LDZ** or (as the case may be) from one of such LDZs to the other.

2.1.2 An "**Offtake**" is **one or more Individual Offtake Points**, located on the same site, at each of which gas can flow into the same LDZ.

### **4. Gas flows at Offtakes**

#### **4.1 Users responsible for flows**

- 4.1.1 Where gas flows from the upstream System to the downstream System at an Offtake, that gas is offtaken from the upstream System and delivered to the downstream System by Shipper Users pursuant to and as provided in TPD Section J.

## TPD SECTION A – SYSTEM CLASSIFICATION

### **3 EXIT POINTS**

#### **3.5 Inter-System Offtakes**

- 3.5.1 An "Inter-System Offtake" is a System Point comprising one or more Individual System Points at which gas can flow out of one System into another System which is not comprised in the same Distribution Network.
- 3.5.2 Inter-System Offtakes comprise NTS/LDZ Offtakes and LDZ/LDZ Offtakes.

## TPD SECTION J - EXIT REQUIREMENTS

### **1 GENERAL**

#### **1.3 Inter-System Offtakes**

- 1.3.1 In relation to any Inter-System Offtake or the flow of gas at an Inter-System Offtake from the NTS or an LDZ to an LDZ, at any time:
- the upstream System is the NTS or (as the case may) the LDZ from which gas flows at such Inter-System Offtake;
  - the downstream System is the LDZ to which gas flows at such Inter-System Offtake;
  - the upstream Transporter is the Transporter which operates the upstream System;
  - the downstream DN Operator is the DN Operator which operates the downstream System (in its capacity, where the context requires, as DNO User).
- 1.3.2 Where gas flows at an Inter-System Offtake:
- the gas is (and shall be treated as being) taken out of the upstream System and put into the downstream System by Shipper Users;
  - title and risk in such gas shall pass (as the gas is taken out of the upstream System) from the upstream Transporter to Shipper Users (in accordance with paragraph 3.7), and simultaneously (as the gas is put into the downstream System) from the Shipper Users to the downstream DN Operator (for which purposes only Section 13.6.3 shall apply as if the Inter-System Offtake were an LDZ System Entry Point);
  - no requirements apply as between any Transporter and any Shipper User as to the composition or pressure of such gas;
  - notwithstanding the fact that the upstream Transporter or downstream DN Operator may cause or permit such gas flow, no Transporter shall be treated as taking the gas out of the upstream System or putting it into the downstream System, and nothing in the Code shall be construed as having any contrary effect.