Pre Modification Discussion
Treatment of Capacity at Combined ASEP’s
About the Mod:
Treatment at Combined ASEPs

- This proposed Mod is linked to UNC 0621
- NG shall not formally submit this draft mod until 0621 draft is finalised.
- Delay due to ongoing discussions in 0621 re nature of revenue recovery charge
- In developing this Mod NG is concerned with issues of
  - Fairness
  - Cross-subsidisation
  - Impact on IP flows
About the Mod:
Treatment at Combined ASEPs

- This Mod needs to know how Transmission Services Revenue recovery shall apply to capacity associated with:
  - Existing Contracts
    - Re Art 35 of Tariff Code
  - Interim Contracts
    - Long Term Entry Capacity allocated after 6 April 2017 but before implementation of 0621 (or one of its alternates)
  - Interconnection Points
- Consideration needs to be given if commodity charge used from 2019 but then capacity top-up from [2021]
About the Mod:
Treatment at Combined ASEPs

- Existing and Interim Contracts may be combined to a GB concept of “Historic Contracts”
  - This may impact need for concept of “abandoned” capacity described in previous presentations

- This Mod shall also have to consider how 0621 shall impact capacity associated with storage, in particular if there shall be a distinction between “Historic” storage capacity and new capacity (allocated post 0621 implementation)
Next steps

- Requires clarity on Revenue recovery charge in UNC 0621
  - NG still proposing a commodity based charged but this is contentious
  - Even if commodity is used it may be time-limited until [2021]
  - Issues with capacity top-up charge may only be delayed but at least could buy time for further development
- Take the draft/proposal to workgroup in January 2018(?)
- Analysis around the materiality impact of potential options
European Update
1. General Update
## Code Status Update

<table>
<thead>
<tr>
<th>Code</th>
<th>Current Status</th>
<th>Implementation date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariffs (TAR)</td>
<td>Entered into Force 6 April 2017, Mods now being raised (e.g. UNC 0621 + combined ASEP Mod)</td>
<td>Applicable from 6 April 2017, 1 October 2017, 31 May 2019</td>
</tr>
<tr>
<td>Transparency (TRA)</td>
<td>Entered into Force 6 April 2017</td>
<td>Applicable from 01 October 2017, First publication end 2017</td>
</tr>
<tr>
<td>CAM amendments</td>
<td>Entered into Force 6 April 2017</td>
<td>Applicable from 6 April 2017</td>
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</tbody>
</table>
2. EU Code Updates
ENTSOG Review of EU Code Change Process

Current tools:

- **NRA**: responsible for ensuring compliance of TSOs (Art 41 of Directive 2009/73/EC)

- **ACER**: draft amendments to Codes can be proposed to ACER (Art 7 of EC 715/2009)

  - No obligation for ACER to progress these

- **FUNC**: Joint ENTSOG/ACER tool for addressing issues ([http://www.gasnccfunc.eu/](http://www.gasnccfunc.eu/))

  - Shippers can register to use platform
ENTSOG Review of EU Code Change Process

- ENTSOG exploring role in change process
- Supplementary to FUNC
  - Either as pre-step
  - Or as alternative route to FUNC
- Aimed at facilitating TSO raised issues
- Any issue raised will lead to obligatory internal discussion to examine if sufficiently EU-wide
- Issue could become ENTSOG agreed proposal
Tariff Code: Transparency Requirements

- Publication on ENTSOG Transparency Platform on schedule for 2 December “Go Live”
- Publication on NG website linked to website refresh project
- Published Template to be populated on rolling basis as relevant during implementation of TAR NC
The Monitoring Reports (Art 36 of TAR NC) shall include data only from TSOs:

- ACER not participating in its production this year
- Report shall go beyond Ch VIII Requirements (i.e. data publication)

Most TSOs have responded but more responses still awaited:

- Delays include requirement for some questions to be clarified

Final report due in March 2018
UNC Mod 0621: Amendments to Gas Transmission Charging Regime

- TAR NC being implemented via UNC 0621
- Details can be found at
  - https://www.gasgovernance.co.uk/ntscmf
  - https://www.gasgovernance.co.uk/0621
- Next meeting 14 December 2017
EU regulation 2017/459 and
UNC Mod 0616
Capacity Conversion Mechanism for Interconnection
Points

EU Change 2017 –
CAM, Incremental & Transparency
Interconnection Points (IPs)
Capacity Conversion Mechanism for Interconnection Points

- Priority is given to the unbundled capacity on one side of the IP. If unbundled capacity is unavailable, bundled capacity is matched on the opposite side of the IP.

IP auction only:
- 500,000 kWh available

Shipper User
- Purchased 100,000 kWh bundled capacity
- Post IP auction

Capacity Conversion Request to convert 100,000 kWh capacity

- Effective from 01 January 2018
Capacity Conversion Mechanism for Interconnection Points

- Following a Long Term bundled IP auction of yearly, quarterly or monthly capacity then Shipper Users may request to convert unbundled capacity.

- The request must be received by National Grid NTS no later than 17:00 3 business days after the close of an auction.

- The request must contain at least the following information:
  a) PRISMA reference number(s) for the bundled auction(s)
  b) The Interconnection Point
  c) The direction of flow
  d) The unbundled capacity amount to be converted
  e) The capacity duration, and period, for the conversion
  f) Shipper ID (Gemini BA code)
  g) Contact details for the shipper

- Please send requests to capacityauctions@nationalgrid.com entitled ‘CAPCON Request’

- A request can be withdrawn at any time up to the conversion deadline.

- NG NTS will respond to a request within 2 business days
Capacity Conversion Mechanism for Interconnection Points

- National Grid will utilise existing functionality (Buyback) in UK Link Gemini to process conversion requests.

- To avoid impacting neutrality a new Entry Method of Sale and Charge Type will be used. These changes will not impact Shipper User interfaces.

<table>
<thead>
<tr>
<th>Method of Sale</th>
<th>CCBB</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charge Type Code</td>
<td>Description</td>
<td>Invoice type</td>
</tr>
<tr>
<td>CEC</td>
<td>Capacity Conversion Entry Charge</td>
<td>NTS Entry Capacity .NTE</td>
</tr>
<tr>
<td>CEA</td>
<td>Capacity Conversion Entry Adjustment</td>
<td></td>
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</tbody>
</table>

- No change to existing Exit MOS or Charge types.

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<td>Description</td>
<td>Invoice type</td>
</tr>
<tr>
<td>XBF</td>
<td>Capacity Conversion Exit Charge</td>
<td>NTS Exit Capacity .NTX</td>
</tr>
<tr>
<td>ABF</td>
<td>Capacity Conversion Exit Adjustment</td>
<td></td>
</tr>
</tbody>
</table>
Capacity Conversion Mechanism for Interconnection Points

- Effective from 1st January 2018
- First relevant auction will be the Monthly IP auction on 15th January
  - Reflected in the February Capacity invoice sent on 6th March
- First Quarterly auctions that this applies to will run on 5th February
  - Reflected in invoices April to September
- Annual Yearly auction will run on 2nd July
  - Reflected in invoices October onwards

Questions or feedback please contact:

01926 654057  capacityauctions@nationalgrid.com
Transparency changes – now live

- Additional data now published on ENTSOG Transparency Platform
  - Publication of Reserve Prices for KWh/day for each IP
  - Publication of charge for what it costs to flow 1 GWh/day/year for each IP
- Information before the tariff period on the NG Webpage
- Detailed Guidance circulated to shipper community via email on 30th November
Future Topics
<table>
<thead>
<tr>
<th>Topic Area</th>
<th>Provisional Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tariffs Code</td>
<td>Monthly updates</td>
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Modification 0628S Action 1101
## Routes to NTS Capacity - Summary

<table>
<thead>
<tr>
<th>ENTRY CAPACITY</th>
<th>Y-2 to Y-16</th>
<th>Y to Y-1</th>
<th>M-1</th>
<th>D-1</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm</td>
<td><strong>Quarterly</strong> (QSEC)</td>
<td><strong>Monthly</strong> (AMSEC)</td>
<td><strong>Monthly</strong> (RMTnTSEC)</td>
<td><strong>Daily</strong> (DADSEC)</td>
<td><strong>Daily</strong> (WDDSEC)</td>
</tr>
<tr>
<td>Interruptible</td>
<td></td>
<td></td>
<td></td>
<td><strong>Daily (DISEC)</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXIT CAPACITY</th>
<th>Y-4 to Y-6</th>
<th>Y-1 to Y-3</th>
<th>D-1</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm</td>
<td><strong>Enduring</strong> (EAFLEC)</td>
<td><strong>Annual</strong> (AFLEC)</td>
<td><strong>Daily</strong> (DADNEX)</td>
<td><strong>Daily</strong> (WDDNEX)</td>
</tr>
<tr>
<td>Off-peak</td>
<td></td>
<td></td>
<td><strong>Daily (DONEX)</strong></td>
<td></td>
</tr>
</tbody>
</table>

**PARCA** — Allows for Reservation of QSEC or Enduring Capacity and release of discretionary ‘non-obligated’ incremental Capacity.

- Note for IPs there is an additional EU Auction calendar

Ref: Gas Transmission Capacity Guidelines  
## Entry Capacity

<table>
<thead>
<tr>
<th>FIRM</th>
<th>Product period</th>
<th>Auction allocation times</th>
<th>Price info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly System Entry Capacity (QSEC)</td>
<td>Y-2 to y-16 quarterly</td>
<td>Allocation in May</td>
<td>Demand driven</td>
</tr>
<tr>
<td>Annual Monthly System Entry Capacity (AMSEC)</td>
<td>Apr Y+1 to Sep Y+2</td>
<td>Allocation in evening of each quarter</td>
<td>Pay as bid</td>
</tr>
<tr>
<td>Rolling Monthly Trade &amp; Transfer System Entry Capacity (RMTnTSEC)</td>
<td>M-1</td>
<td>Three business days before the last business day of the month preceding the transaction month</td>
<td>Same as MSEC</td>
</tr>
<tr>
<td>Day-Ahead Daily System Entry Capacity (DADSEC)</td>
<td>D-1</td>
<td>2pm, 5pm, 1am</td>
<td>Pay as bid</td>
</tr>
<tr>
<td>Within-Day Daily System Entry Capacity (WDDSEC)</td>
<td>D</td>
<td>Hourly between 7am-2am</td>
<td>Zero reserve price</td>
</tr>
</tbody>
</table>

### INTERRUPTIBLE

| Daily Interruptible System Entry Capacity (DISEC)                    | D-1                                   | Any time between 1:01am D-1 and 3pm D-1   | Zero reserve price              |

- Note for IPs there is an additional EU Auction calendar
## Exit Capacity

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<tr>
<td>Enduring (EAFLEC)</td>
<td>Y4-Y6</td>
<td>Application window is July. Allocated by Sept</td>
<td>Fixed</td>
</tr>
<tr>
<td>Annual (AFLEC)</td>
<td>Y1-Y3</td>
<td>Application window is July. Allocated by +10 business days</td>
<td>Fixed</td>
</tr>
<tr>
<td>Ad Hoc Increase (AIEFLEC)</td>
<td>M+6 to October Y+4</td>
<td>Ad-hoc application Oct to June</td>
<td>Fixed</td>
</tr>
<tr>
<td>Ad Hoc Decrease (ADEFLEC)</td>
<td>From the first day of any month</td>
<td>Ad hoc</td>
<td>N/A</td>
</tr>
<tr>
<td>Day Ahead Daily (DADNEX)</td>
<td>D-1</td>
<td>D-1 at 3pm</td>
<td>Pay-as-bid reserve price = firm price</td>
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<td>Within Day Daily (WDDNEX)</td>
<td>D</td>
<td>D at 8am, 2pm, 6pm, 10pm and 1am</td>
<td>Pay-as-bid reserve price = firm price</td>
</tr>
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## OFF PEAK

|                | D-1            | D-1 at 3pm                                            | Pay-as-bid - zero reserve price |

- Note for IPs there is an additional EU Auction calendar
Modification 0628S
Project CLoCC

Customer Low Cost Connections

NETWORK INNOVATION COMPETITION PROJECT:

CUSTOMER LOW COST CONNECTIONS (CLoCC) – MOD 0628S DEVELOPMENT

Nicola Lond
Commercial Lead

TWG December 2017
Mod 0628s – Standard Design Connections: PARCA process

- Principles of Mod:
  - Accelerated route through the PARCA Phase 1 process for a capacity quantity consistent with a Standard Design and where National Grid has identified that capacity is currently available
    - For a standard design this would be via Connections online portal capacity indicator
  - A appropriate fee can be charged to reflect the reduced time required for an accelerated route
Enquiry for connection

Capacity indication received

Apply? Yes/No

Pay Fee

Apply for Capacity

Output G,A,R at indicative quote*

Traffic Light assessment of capacity*

Data provided for traffic light (periodic update)

Invoice PARCA Fee

Fee Paid

Green Validation (~2 weeks)

Analysis (~4 weeks)

Red Stage 3 full process

Query Discussion If required

May try again

END

*for customers meeting criteria for indicative quote – can fit standard designs
UNC – for review

- TPD B 1. 15 The PARCA Application Process

- TPD B 1. 16 The PARCA Window
  - 20 -40 days

- TPD B 1. 17 Phase 1 PARCA Works
  - within 6 months
# Mod Timetable – Next Steps/Planning

<table>
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<th>ITEM</th>
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<tr>
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<td>Fee discussion</td>
</tr>
<tr>
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Contact: Nicola Lond
Commercial Lead

m:+44 07824 551667
nicola.j.lond@nationalgrid.com
Modification 0629S
Project CLoCC

Customer Low Cost Connections

NETWORK INNOVATION COMPETITION PROJECT:

CUSTOMER LOW COST CONNECTIONS (CLoCC)
– MOD 0629S DEVELOPMENT

Nicola Lond
Commercial Lead

TWG December 2017
Mod 0629s – Standard Design Connections: A2O connection process

- Principles of Mod:
  - More efficient offer process for a Standard Design connection
    - Standard Designs are Pre-approved and Pre-appraised
    - Connection Online Portal provides automation of Conceptual Design Study (CDS) – engineering study for Full Connection offer (FCO)
  - A appropriate fee can be charged to reflect the reduced time required for a Standard Design Connection
  - Ability to offer Enhancements to Minimum Offtake Connection (MOC) for filtration and Metering – under consideration
TPD V.13 – NTS Connections

13.2 Connection Application Fees
- FCO actual cost

13.5 Connection Offer timings
- ICO 2 months
- FCO 6 – 9 months
- Following notification of Competent Connection App.
- Feasibility Study requirement (13.5.6)

CLoCC Considerations:
- Concept of Standard Design FCO needed
- Standard Design Fixed fee?
- Standard Design timeframe for Offer
## Mod Timetable – Next Steps/Planning

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We can use Webex for additional meetings to progress if appropriate/required.
National Grid Gas Quality Consultation

Update to Transmission Workgroup
December 2017
Gas Quality Consultation Update

- We recently sought industry views on a number of issues pertaining to NTS gas quality arrangements
  - Future demand to deviate from the Gas Ten Year Statement specification
  - Process for amending parameter values for existing NTS entry connections
  - Process for agreeing parameter values for new NTS entry connections
  - How we should allocate scarce flexibility on limit values
  - Potential new services
Gas Quality Consultation Update

- We received 13 responses from a range of customers and stakeholders
  - 7 non-confidential
  - 6 confidential

- Non-confidential responses have been published on our Talking Networks website

- We will discuss the feedback received and next steps at the January Transmission Workgroup prior to publishing the consultation report
Industrial Emissions Directive

Stakeholder Engagement Proposals 2017/18
In May 2018 we have an opportunity to re-submit proposals to address the impact of the Industrial Emissions Directive on our compressor fleet.

We asked customers and stakeholders how they wish to be engaged on our proposals.

The consistent message we have received is that we do not need to repeat the detailed engagement we undertook in 2014/15, but should undertake targeted engagement through existing fora where possible.
Next steps

- We will be presenting short webinars at 2pm on 11th and 13th December to recap the background to the legislation and what has changed in our approach.

- Register via ntsinvestment@nationalgrid.com.

- We would like to follow this with a short item at January’s Transmission Workgroup to present draft proposals for one or more of the sites affected.

- This could be followed by further short presentations to discuss the remaining sites.

- Views requested today or to Jon Dutton via jon.dutton@nationalgrid.com.
Updated End to End Balancing Guide
End to end balancing guide

- The End to end balancing guide has been given a brand new look
- There is a new section on gas supply emergency based on customer requests
- Available on the website https://www.nationalgrid.com/uk/gas/balancing
- Contact Debbie Brace deborah.brace@nationalgrid.com or on 01926 653233 for a paper version