

Erratum Notice – Modification of Special Condition 5.5 of the Gas Transporter Licence held by National Grid Gas Plc

The Authority¹ issued a modification decision² under Section 23(1)(a) of the Gas Act 1986 on 12 October 2021 modifying Special Condition 5.5 (Entry Capacity and Exit Capacity Constraint Management (CM_t)).

We have subsequently identified an error in the Schedule to the modification decision. The modification decision outlined the modified text following our Statutory Consultation³ on the proposed changes to Special Condition 5.5. However, text was added to the definitions of the RNOEC_t and RNOExC_t terms in the modification decision that did not exist as proposed text in the original Statutory Consultation Notice⁴. This text was not an alteration arising from consultation responses and was added to the modification decision in error.

We have amended the erroneous text in the attached Schedule, and have shown the amendments in red. The rest of the Schedule and modification decision remains as published on 12 October 2021.

If you have any questions regarding this letter, please contact Max Lambert by email at Gas.TransmissionResponse@ofgem.gov.uk.

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Eleanor Warburton
Deputy Director – ESO and Gas Markets and Systems
Duly authorised on behalf of the
Gas and Electricity Markets Authority

14 October 2021

¹ The terms “we”, “us” and “our” and “the Authority” are used to refer to the Gas and Electricity Markets Authority.

² The modification decision can be found at the link here: <https://www.ofgem.gov.uk/publications/modification-national-grid-gas-plc-ngq-gas-transporter-licence-change-part-c-special-condition-55>

³ The Statutory Consultation, published on 25 August 2021, can be found at the link here: <https://www.ofgem.gov.uk/publications/statutory-consultation-proposed-changes-part-c-special-condition-55-national-grid-gas-plc-ngq-gas-transporter-licence>

⁴ The Statutory Consultation Notice can be found at the link here: <https://www.ofgem.gov.uk/sites/default/files/2021-08/CCM%20RIIO-2%20Notice.pdf>

Schedule 1: Special Condition 5.5: Entry Capacity and Exit Capacity Constraint Management (CM_t)

Removed erroneous text is shown as: ~~red-strike-through~~

Part C: The Constraint Management operational performance measure (CMOpPM_t)

5.5.5 The value of CMOpPM_t is derived in accordance with the following formula:

$$CMOpPM_t = CMOpC_t - ExBBCNLRA_t - ((RNOEC_t \times 0.14) - RAREnCA_t) - RLOC_t - (RNOExC_t \times 0.14) - RADD_t$$

where:

$CMOpC_t$ is derived in accordance with paragraph 5.5.8;

$ExBBCNLRA_t$ has the meaning set out in paragraph 5.5.3;

$RNOEC_t$ is the revenue ~~associated with the NTS Entry Capacity reserve price~~ derived by the licensee from sales of Non-Obligated Entry Capacity;

$RAREnCA_t$ has the meaning set out in paragraph 5.5.3;

$RLOC_t$ is the revenue derived by the licensee from Locational Sell Actions and Physical Renomination Incentive Charges;

$RNOExC_t$ is the revenue ~~associated with the NTS Exit Capacity reserve price~~ derived by the licensee from the sale of Non-Obligated Exit Capacity;

$RADD_t$ is any further revenues derived by the licensee that the Authority has directed the licensee to include in the Constraint Management operational performance measure CMOpPM_t.

Part D: NOT USED

5.5.6 NOT USED

Part E: NOT USED

5.5.7 NOT USED

Schedule 2: Relevant Licence Holders⁵

National Grid Gas plc

⁵ Gas licence holders are listed at: <https://www.ofgem.gov.uk/publications-and-updates/list-all-gas-licensees-including-suppliers>