



Making a positive difference
for energy consumers

To:

Electricity Distribution,
Gas Distribution, Gas
Transmission, Electricity
Transmission; Network
Operators; and
Stakeholders

Date: 16 April 2024

Dear Company Secretaries and Stakeholders,

Proposal to modify the special conditions of the Gas Transporter, Electricity Distribution and Electricity Transmission licence and the Price Control Financial Instruments (PCFIs) for RIIO-GD2, RIIO-GT2, RIIO-ED2 and RIIO-ET2

We¹ are proposing to amend the special conditions and PCFIs and in particular the following documents for Gas Distribution (GD), Gas Transmission (GT), Electricity Distribution (ED) and Electricity Transmission (ET) licensees:

- RIIO-GD2, RIIO-GT2, RIIO-ED2 and RIIO-ET2 Price Control Financial Model (PCFM);
- RIIO-GD2, RIIO-GT2, RIIO-ED2 and RIIO-ET2 Price Control Financial Handbook (PCFH); and
- RIIO-GT2 Special Conditions.

Please find enclosed the Notices setting out our proposed changes issued pursuant to the relevant Licence Conditions and PCFIs for each relevant sector.

As part of the enclosed Notices, we provide the following documents with proposed modifications [marked up]:

- RIIO-GD2 PCFM ;
- RIIO-GD2 PCFH: Version 1.5;

¹ References to 'the Authority', 'GEMA', 'Ofgem', 'we', 'us' and 'our' are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets. Ofgem is the office of the Authority which supports GEMA.

- RIIO-GT2 PCFM;
- RIIO-GT2 PCFH: Version 1.4;
- RIIO-ET2 PCFM;
- RIIO-ET2 PCFH: Version 1.3;
- RIIO-ED2 PCFM;
- RIIO-ED2 PCFH: Version 2.1;

- Special Conditions of the Gas Transporter Licence for:
 - National Gas Transmission plc

Proposed modifications

We are proposing several amendments to the PCFM, PCFH and Special Conditions. These include the following proposals:

- Amending the "November run" wording in Chapter 2 of the PCFH for GD, GT and ET;
- Re-stating the RIIO-ET2 non-variant allowances in the PCFM in order to reflect the RIIO-ET1 closeout decision²;
- Updating Chapter 3 "The PCFM Variable Values" of the ED2 PCFH to align with the ED Regulatory Instructions and Guidance (RIGs)³;
- Amending Chapter 5 "Real Price effects" of the ED2 PCFH to clarify reporting requirements;
- Updating Chapter 8 "Legacy Adjustments" of the ED2 PCFH to ensure it has a comprehensive list of closeout adjustments; and

- Modifying Appendix 2 of Capacity Requests, Baseline Capacity and Capacity Substitution (Special Condition 9.13) for RIIO-GT2.

We set out the effect of and the reasons for these proposed modifications below.

General updates

We have also included other proposed housekeeping updates and corrections to the PCFIs. For further details on the proposed updates and corrections please see the tracked changes within the documents published alongside this Notice. A comprehensive list of proposed updates to the PCFIs can be found in Appendix 1 and Appendix 2 to this Notice.

² <https://www.ofgem.gov.uk/publications/riio-et1-close-out-decision-proposed-adjustments>

³ <https://www.ofgem.gov.uk/publications/direction-issuing-regulatory-instructions-and-guidance-rigs-riio-ed2>

Re-stating the Non-Variant Allowances in the RIIO-ET2 PCFM

We are proposing to amend the Non-Variant Allowances in relating to National Grid Electricity Transmission plc (NGET) in the RIIO-ET2 PCFM to reflect the RIIO-ET1 closeout decision published 14th November 2023. ⁴

The reason for this is to update and correct figures within the PCFM following the RIIO-ET1 closeout decision in relation to cross-over projects.

The effect of this proposal is to modify the non-variant totex allowance line items in the RIIO-ET2 PCFM in the "NGET" licensee input sheet in cells AP10:AT10 and AP11:AR15.

Updating Chapter 3 "The PCFM Variable Values" to align with the Regulatory Instructions and Guidance (RIGs) in the RIIO-ED2 PCFH

We are proposing to amend Chapter 3 "PCFM Variable Values"

The reason for this proposal is to align the language in the RIIO-ED2 PCFH with RIIO-ED2 Regulatory Instructions and Guidance (RIGs).⁵

The effect of this proposal is to add costs and legal fees relating to judicial review applications and appeals to the CMA in respect of Ofgem decisions to the list of expenditure items which do not qualify as Totex.

Updating Chapter 5 "Real Price effects" in the RIIO-ED2 PCFH

We are proposing to modify Chapter 5 "Real Price effects".

The reason for this proposal is to clarify reporting requirements associated with the ED2 RPE model.

The effect of this proposal is to state that we will use unrounded inputs when updating the ED2 RPE model. We have also added further detail relating to the update of the ED2 RPE model.

Updating Chapter 8 "Legacy Adjustments" in the RIIO-ED2 PCFH

We are proposing to modify Chapter 8 "Legacy Adjustments".

The reason for this proposal is to add in an omitted closeout adjustment relating to Specified Street Works costs.

⁴ <https://www.ofgem.gov.uk/publications/riio-et1-close-out-decision-proposed-adjustments>

⁵ <https://www.ofgem.gov.uk/publications/direction-issuing-regulatory-instructions-and-guidance-rigs-riio-ed2>

The effect of this proposal is to add the Specified Street Works Costs adjustments to the list of closeout adjustments.⁶ We have also added the Specified Street Works Costs adjustments closeout methodology to Table 8.3.

Modify Appendix 2 of Capacity Requests, Baseline Capacity and Capacity Substitution (Special Condition 9.13) for RIIO-GT2

We are proposing to update a range of values within Appendix 2: "Licence Baseline Exit Capacity" tables.

The reason for this proposal is to ensure that changes in capacity allocation that have occurred through a series of PARCAs and Capacity Substitutions are reflected in the Licence.

The effect of this proposal is to give clarity to capacity holders and to align the Licence with the Gemini system.

All of the proposed modifications have been discussed with licensees during the PCFM Working Groups and we have considered any views expressed and representations made by the licensees, in accordance with the requirements of Special Condition 8.1.

For further details on changes proposed to the PCFM and PCFH please refer to Appendix 1 and Appendix 2. These proposed changes can also be seen in the tracked changes within the documents.

We welcome representations on our proposed modifications by 14 May 2024, and the details for responding are contained in the enclosed Notice.

Yours faithfully,

Mick Watson

Deputy Director of Regulatory Finance, Financial Resilience and Controls
Duly authorised on behalf of the Authority

⁶ <https://www.ofgem.gov.uk/publications/decision-riio-ed1-closeout-methodology-specified-street-works-costs-sswc>

To:

Cadent Gas Limited
Northern Gas Networks Limited
Scotland Gas Networks plc
Southern Gas Networks plc
Wales and West Utilities Limited
National Gas Transmission Plc - 02006000
Scottish Hydro Electric Transmission plc
SP Transmission Ltd
National Grid Electricity Transmission plc
Electricity North West Limited
Northern Powergrid: Northeast
Northern Powergrid: Yorkshire
SP Energy Networks: Distribution
SP Energy Networks: Manweb
Scottish and Southern Energy Power Distribution: Scottish Hydro Electric Power Distribution
Scottish and Southern Energy Power Distribution: Southern Electric Power Distribution
UK Power Networks: London Power Networks
UK Power Networks: South East Power Networks
UK Power Networks: Eastern Power Networks
National Grid Electricity Distribution (West Midlands) plc
National Grid Electricity Distribution (East Midlands) plc
National Grid Electricity Distribution (South Wales) plc
National Grid Electricity Distribution (South West) plc

Electricity Act 1989
Section 11A(2)

Gas Act 1986
Section 23(2)

Notice of statutory consultation on a proposal to modify the special conditions of the Gas Transporter, Electricity Distribution and Electricity Transmission licences held by the licensees listed above

1. The Gas and Electricity Markets Authority ('the Authority')⁷ proposes to modify the special conditions of the Gas Transporter licence held by each of the licensees listed above ('the licensees') granted or treated as granted under section 7 of the Gas Act 1986 as well as the electricity transmission and electricity distribution licence held by each of the licensees listed above ('the licensees') granted, or treated as granted, under section 6(1)(b) of the Electricity Act 1989 ('the Electricity Act') by:
 - amending appendix 2 of Special Condition 9.13 (Capacity Requests, Baseline Capacity and Capacity Substitution) of the Gas Transporter licence held by National Gas Transmission Plc⁸; and
 - amending the Price Control Financial Instruments ('PCFIs') which form part of Special Condition 8.1 (Governance of the Price Control Financial Instruments).
2. The purpose, reasons for, and effect of these proposed modifications are described in the cover letter to this notice.

⁷ The terms "the Authority", "we" and "us" are used interchangeably in this document.

⁸ Company number 02006000

3. Appendix 3 to this notice contains the proposed modifications to the special conditions of the Gas Transporter licence held by National Gas Transmission Plc.
4. In addition, we are also proposing modifications to the ET2, ED2, GT2 and GD2⁹ Price Control Financial Instruments ('PCFIs').
5. The reasons for the proposed modifications, and an overview of the proposed modifications to the ET2, GT2 and GD2 Price Control Financial Models ('PCFM') are set out below:
 - a. proposed correction of a formula in the "Finance&Tax" tab (and "SystemOperator" tab for GT) relating to adjustment to losses from tax trigger. This is in-line with a correction we have previously already made in the ED2 PCFM.
6. There are some proposed modifications that relate to the ED2 PCFM only. The reasons for and overviews of the proposed modifications are set out below:
 - a. Propose to remove ED1BRt (Base revenue (last year of RIIO-1, per RIIO-1 definition) (for use in Correction term)) from licensee input sheets in row 264 and "InputSummary" sheet in row 247 as this term is now redundant;
 - b. Propose to amend incorrect labelling of BDA term from "Valid Bad Debt Claims" to "Bad Debt" in licensee input sheets in cell E268, in "SelectInputs" sheet in cell E268 and "InputSummary" tab in cell 252; and
 - c. Propose to amend formula to ensure consistency across all years in "Finance&Tax" sheet in row 264.
7. There are some proposed modifications that relate to the GT2 PCFM only. The reasons for and overviews of the proposed modifications are set out below:
 - a. In the "NGGT TO" tab propose to add additional blue variable value input cells for NICFt in cells AR109:AT109. In accordance with this, we have also proposed to add the necessary formula in the "Input" tab in cells AR122:AT122 which link to row 109 in the "NGGT TO" tab;
 - b. In "NGGT SO" tab propose inserting placeholder row in row 43 for the potential upcoming term relating to NESO and the gas network planning activities. This proposal is in line with what has been implemented in the GT RIGs RRP. In accordance with this, we have proposed to insert an additional row in "SystemOperator" tab and have linked the row to row 43 "NGGT SO" tab; and
 - c. In "NGGT TO" tab propose updating cells BC28 and BC45 to be "TIM" according to the decision issued by Ofgem on 28th March 2024 regarding application of the Totex Incentive Mechanism (TIM) to SpC 3.2 (Cyber resilience operational technology Re-opener, Price Control Deliverable and use it or lose it adjustment (CROTT and CROTRET)). We have also proposed updating "NGGT SO" cell AY17 to read "TIM".
8. There are some proposed modifications that relate to the ET2 PCFM only. The reasons for and overviews of the proposed modifications are set out below:
 - a. Propose amending the non-variant allowances in the "NGET" sheet in cells AP10:AT10 and AP11:AR15 in order to reflect the RIIO-ET1 closeout

⁹ 'ET2', 'GT2', 'ED2' and 'GD2' refer to the RIIO-2 price control for the Electricity Transmission, Gas Transmission, Electricity Distribution and Gas Distribution sectors respectively.

decision.¹⁰

9. Please see Appendix 1 to this notice for a list of the proposed PCFM modifications.
10. The reasons and effect of the proposed modifications for the ET2, ED2, GT2 and GD2 PCFH are set out in the covering letter to this notice. An overview of the proposed modifications to both the ET2, ED2, GT2 and GD2 Price Control Financial Handbook (PCFH) are set out below:
 - a. Propose amending "November Run" section of Chapter 2 of the PCFH for ET2, GT2 and GD2 to make it more flexible and enable receipt of the Dry Run 2 submission from licensees prior to the Ofgem updates to the WACC Allowance model and inflation indices.;and
 - b. Propose to make various general housekeeping updates to the ED2 PCFH relating to Chapter 3 "The PCFM Variable Values" to align the text with the Regulatory Instructions and Guidance (RIGs) for ED, Chapter 5 "Real Price effects" to clarify reporting requirements and Chapter 8 "Legacy Adjustments" to ensure it is a comprehensive list of closeout adjustments.
11. Please see Appendix 2 to this notice for a list of the proposed PCFH modifications.
12. A copy of the proposed modifications and other documents referred to in this notice have been published on our website (www.ofgem.gov.uk). Alternatively, they are available from foi@ofgem.gov.uk. Appendices 1 and 2 indicate the location of changes within the published PCFIs.
13. Any representations with respect to the proposed licence modifications must be made on or before 14 May 2024 to: Michael Smith, Office of Gas and Electricity Markets, 10 South Colonnade, Canary Wharf, London, E14 4PU or by email to Michael.Smith@Ofgem.gov.uk
14. We normally publish all responses on our website. However, if you do not wish your response to be made public then please clearly mark it as not for publication. We prefer to receive responses in an electronic form so they can be placed easily on our website.
15. If we decide to make the proposed modifications they will take effect not less than 56 days after the decision is published.

.....

Mick Watson

Deputy Director of Regulatory Finance, Financial Resilience and Controls

Duly authorised on behalf of the Gas and Electricity Markets Authority

16 April 2024

¹⁰ <https://www.ofgem.gov.uk/publications/riio-et1-close-out-decision-proposed-adjustments>

Appendix 1 – Proposed changes to the RIIO-2 Price Control Financial Models (PCFMs)

The PCFMs containing the proposed modifications are attached as schedules to this consultation. The proposed changes have been highlighted in yellow. A summary of the proposed changes follows below.

Part A: Proposed formula corrections in the PCFM for GD, GT and ET

The proposed modifications to be made to the PCFM for the sectors specified above are as follows:

- Propose amending an incorrect formula in the "Finance&Tax" tab (and "SystemOperator" tab for GT) relating to adjustment to losses from tax trigger.

Part B: Proposed formula corrections and general housekeeping in the ED2 PCFM

The modifications proposed to be made to the ED2 PCFM are as follows:

- Proposed removal of ED1BRt (Base revenue (last year of RIIO-1, per RIIO-1 definition) (for use in Correction term)) from licensee input sheets in row 264, in "SelectedInputs" sheet in row 264 and "InputSummary" sheet in row 247 as this term is now redundant;
- Proposed amendment to incorrect labelling of BDA term from "Valid Bad Debt Claims" to "Bad Debt" in licensee input sheets in cell E268, in "SelectedInputs" sheet in cell E268 and "InputSummary" tab in cell 252; and
- Proposed Formula amendment to ensure consistency across all years in "Finance&Tax" sheet in row 264.

Part C: Proposed formula corrections and general housekeeping in the GT2 PCFM

The modifications proposed to be made to the GT2 PCFM are as follows:

- In the "NGGT TO" tab propose to add additional blue variable value input cells for NICft in cells AR109:AT109. In accordance with this, we have also proposed to add the necessary formula in the "Input" tab in cells AR122:AT122 which link to row 109 in the "NGGT TO" tab;
- In "NGGT SO" tab proposed to insert placeholder row in row 43 for the potential upcoming term relating to NESO and the gas network planning activities. This is in line with what has been implemented in the GT RIGs RRP. In accordance with this, we have proposed to insert an additional row in "SystemOperator" tab and have proposed to link the row to row 43 "NGGT SO" tab; and
- In "NGGT TO" tab proposed to update cells BC28 and BC45 to be "TIM" according to the recent decision by Ofgem's Cyber team regarding application of TIM to SpC 3.2 CROt and CROtAt. We have also proposed to update "NGGT SO" cell AY17 to be "TIM". This would not result in a functional impact to the PCFM calculations, if the modification were to be made.

Part D: Proposed amendment to the NGET non-variant allowances in the ET2 PCFM

The modifications proposed to be made to the ET2 PCFM are as follows:

- Proposed amendment the non-variant allowances in the "NGET" sheet in cells AP10:AT10 and AP11:AR15 in order to reflect the RIIO-ET1 closeout decision.¹¹ The proposed adjustments to these cells in £18/19 prices are as follows:

	2021/22	2022/23	2023/24	2024/25	2025/26
Non-variant allowed load related capex expenditure	95.0710	25.9356	-3.1877	-0.3416	-2.1213
Non-variant allowed asset replacement capex expenditure	59.4758	5.8010	-1.5961	-	-
Non-variant allowed other capex expenditure	6.9636	0.6792	-0.1869	-	-
Non-variant allowed network operating costs (opex)	0.0636	0.0062	-0.0017	-	-
Non-variant allowed indirects (opex)	1.1386	0.1111	-0.0306	-	-
Non-variant allowed non-operational capex	0.9869	0.0963	-0.0265	-	-

¹¹ <https://www.ofgem.gov.uk/publications/riio-et1-close-out-decision-proposed-adjustments>

Appendix 2 – Proposed changes to the RIIO-2 Price Control Financial Handbooks (PCFHs)

The PCFHs containing the proposed modifications are attached as schedules to this consultation. The proposed changes are tracked. A summary of the proposed changes and where they appear follows below.

Part A: Proposal to amend the November run wording for GD, GT and ET

The proposed modifications to the PCFHs can be seen in the attached schedules. We are proposing to modify the language in the "November Run" section of the PCFH to make it more flexible and enable receipt of the Dry Run 2 submission from licensees prior to the Ofgem updates to the WACC Allowance model and inflation indices. In the future we will suggest a Dry Run 2 submission at the beginning of November to ensure there is ample time for review. An earlier submission of the Dry Run 2 PCFM should also allow companies more time to review and respond to any Ofgem comments prior to a Dry Run 3 submission.

The proposed modifications made to the PCFH can be seen in:

- Chapter 2 "The RIIO-[XX]2¹² PCFM and the Annual Iteration Process"

Part B: Proposed updating of Chapter 3 "The PCFM Variable Values" to align with the Regulatory Instructions and Guidance (RIGs) for ED

In Chapter 3 "PCFM Variable Values" we have proposed modifications to align the language with RIIO-ED2 Regulatory Instructions and Guidance (RIGs).¹³ We have proposed for the costs and legal fees relating to judicial review applications and appeals to the CMA in respect of Ofgem decisions to be added to the list of expenditure items which do not qualify as Totex.

The proposed modifications to be made to the PCFH can be seen in:

- Chapter 3 "The PCFM Variable Values".

Part C: Proposed updating of Chapter 5 "Real Price effects" for ED

In Chapter 5 "Real Price effects" we have proposed modifications to state that we will use unrounded inputs when updating the ED2 RPE model. We have also proposed to provide further detail and clarity relating to the update and provision of the ED2 RPE model.

The modifications proposed to be made to the PCFH can be seen in:

- Chapter 5 "Real Price effects".

Part C: Proposed updating of Chapter 8 "Legacy Adjustments" for ED

¹²'ET2', 'GT2' and 'GD2'

¹³ <https://www.ofgem.gov.uk/publications/direction-issuing-regulatory-instructions-and-guidance-rigs-riio-ed2>

In Chapter 8 “Legacy Adjustments” we have proposed modifications to add the Specified Street Works Costs adjustments to the list of closeout adjustments.¹⁴ We have also proposed to add the Specified Street Works Costs adjustments closeout methodology to Table 8.3.

The modifications proposed to be made to the PCFH can be seen in:

- Chapter 8 “Legacy Adjustments”

¹⁴ <https://www.ofgem.gov.uk/publications/decision-riio-ed1-closeout-methodology-specified-street-works-costs-sswc>

Appendix 3 – Proposed changes to Special Condition 9.13 of the Gas Transmission licence

Special Condition 9.13 Capacity Requests, Baseline Capacity and Capacity Substitution

Introduction

- 9.13.1 The purpose of this condition is to set out the licensee's obligation to:
- (a) publish a notice of any requests for Firm Entry Capacity or Firm Exit Capacity;
 - (b) submit an associated notification to the Authority;
 - (c) maintain a table of instances of Entry Capacity Substitution and a table of instances of Exit Capacity Substitution;
 - (d) maintain a table of NTS Entry Points and NTS Exit Points along with associated information; and
 - (e) maintain a table of Zero Licence Baseline Entry Capacity Points and a table of Zero Licence Baseline Exit Capacity Points.
- 9.13.2 This condition also:
- (a) sets out a process for approval of Entry Capacity Substitution or Exit Capacity Substitution;
 - (b) sets out requirements in relation to the treatment of Zero Licence Baseline Entry Capacity Points and Zero Licence Baseline Exit Capacity Points; and
 - (c) sets out Licence Baseline Entry Capacity and Licence Baseline Exit Capacity.
- 9.13.3 The effect of this condition is:
- (a) to establish the requirements for requests for Firm Entry Capacity and Firm Exit Capacity, and
 - (b) to state the Licence Baseline Entry Capacity and Licence Baseline Exit Capacity levels and adjustments.

Part A: Publishing notice of request

- 9.13.4 Where the licensee receives a request for Firm Entry Capacity or Firm Exit Capacity, some or all of which constitutes Incremental Obligated Entry Capacity or Incremental Obligated Exit Capacity, the licensee must publish a notice on its website setting out where it intends to reserve that capacity, subject to the provisions of the appropriate statements maintained by the licensee under Special Condition 9.17 (Entry Capacity and Exit Capacity obligations and methodology statements) and 9.18 (Methodology to determine the release of Entry Capacity and Exit Capacity volumes).
- 9.13.5 The notice must set out:

- (a) each NTS Entry Point listed in Appendix 1 or NTS Exit Point listed in Appendix 2 at which the Firm Entry Capacity or Firm Exit Capacity respectively has been requested and the quantity of capacity requested there;
- (b) a description of any other location, where there is no NTS Entry Point or NTS Exit Point listed in the licence, where the Firm Entry Capacity or Firm Exit Capacity has been requested and the quantity of capacity requested there; and
- (c) whether any part of the Firm Entry Capacity or Firm Exit Capacity requested cannot be satisfied using Entry Capacity Substitution or Exit Capacity Substitution, and will be the subject of an application by the licensee for a direction under Special Condition 3.13 (Funded incremental obligated capacity Re-opener and Price Control Deliverable).

Part B: Notification to the Authority and approval of Entry Capacity Substitution or Exit Capacity Substitution

9.13.6 Where the licensee has published a notice in accordance with Part A, the licensee must:

- (a) notify the Authority; and
- (b) where relevant, outline with the notification to the Authority any proposal to carry out Entry Capacity Substitution or Exit Capacity Substitution.

9.13.7 The Authority will within 28 days:

- (a) approve the proposal to carry out Entry Capacity Substitution or Exit Capacity Substitution;
- (b) reject the proposal; or
- (c) request more information from the licensee and approve or reject the proposal within 28 days of receipt of information that the Authority considers satisfies its request.

9.13.8 Where the Authority takes no action under paragraph 9.13.7 the licensee may treat the proposals as approved.

9.13.9 The licensee's notification must include statements:

- (a) confirming that the licensee has applied the methodologies in the relevant statements maintained by the licensee under Special Conditions 9.17 (Entry Capacity and Exit Capacity obligations and methodology statements) and 9.18 (Methodology to determine the release of Entry Capacity and Exit Capacity volumes), and, in relation to those methodologies, setting out:
 - i. the input data that the licensee used in applying the methodologies; and
 - ii. the results of applying the methodologies;
- (b) setting out any NTS Entry Point or NTS Exit Point at which the licensee proposes to provide Incremental Obligated Entry Capacity or Incremental Obligated Exit Capacity through Entry Capacity Substitution or Exit Capacity

Substitution, as well as the volume of this capacity the licensee proposes to provide there, the relevant NTS Entry Points or NTS Exit Points where this capacity is being substituted from, and the volumes of this capacity being substituted away from each relevant NTS Entry Point or NTS Exit Point;

- (c) setting out any NTS Entry Point or NTS Exit Point at which the licensee proposes to provide Incremental Obligated Entry Capacity or Incremental Obligated Exit Capacity that is to be the subject of an application by the licensee for a direction under Special Condition 3.13 (Funded incremental obligated capacity Re-opener and Price Control Deliverable) and the volume of this capacity the licensee proposes to provide there;
- (d) setting out why the Incremental Obligated Entry Capacity or Incremental Obligated Exit Capacity referred to in paragraph 9.13.9(c) falls within the scope of paragraph 3.13.7 of Special Condition 3.13 (Funded incremental obligated capacity Re-opener and Price Control Deliverable);
- (e) setting out the first month in which Incremental Obligated Entry Capacity or Incremental Obligated Exit Capacity would be provided under paragraph 9.13.9(b) or (c) at the relevant NTS Entry Point or NTS Exit Point or in which Non-Incremental Obligated Entry Capacity or Non-Incremental Exit Capacity would cease to be provided at the relevant NTS Entry Point or NTS Exit Point; and
- (f) setting out the date when the licensee's obligation to offer for sale any Incremental Obligated Entry Capacity or Incremental Obligated Exit Capacity under paragraph 9.13.9(b) and (c) would commence, and the date on which the licensee's obligation to offer for sale any volume of Non-Incremental Obligated Entry Capacity or Non-Incremental Obligated Exit Capacity being substituted away from the relevant NTS Entry Points or NTS Exit Points would cease.

Part C: Record of Entry Capacity Substitution and Exit Capacity Substitution

9.13.10 The licensee must maintain and publish on its website:

- (a) a table of instances of Entry Capacity Substitution; and
- (b) a table of instances of Exit Capacity Substitution.

Part D: NTS Entry Points and NTS Exit Points

9.13.11 The licensee must maintain and publish on its website a table of the NTS Entry Points and NTS Exit Points listed in Appendix 1 and Appendix 2 respectively, which includes quantities, for each point, of:

- (a) Licence Baseline Entry Capacity and Licence Baseline Exit Capacity;
- (b) Incremental Obligated Entry Capacity and Incremental Obligated Exit Capacity;

- (c) Non-Incremental Obligated Entry Capacity and Non-Incremental Obligated Exit Capacity;
- (d) total monthly capacity release obligation;
- (e) reserved capacity;
- (f) sold capacity; and
- (g) unsold capacity.

Part E: Zero Licence Baseline entry and exit capacity points

9.13.12 The licensee must maintain and publish on its website:

- (a) a table of Zero Licence Baseline Entry Capacity Points; and
- (b) a table of Zero Licence Baseline Exit Capacity Points.

9.13.13 The licensee must promptly inform the Authority of the creation of any new Zero Licence Baseline Entry Capacity Points or Zero Licence Baseline Exit Capacity Points.

9.13.14 Unless otherwise directed by the Authority, after recording the existence of a new Zero Licence Baseline Entry Capacity Point or Zero Licence Baseline Exit Capacity Point, the licensee must:

- (a) conduct a consultation with network users on whether the new Zero Licence Baseline Entry Capacity Point or Zero Licence Baseline Exit Capacity Point should be treated as a Relevant Point on the licensee's pipeline system; and
- (b) during the period of 14 days beginning with the date of the close of its consultation, submit to the Authority:
 - i. a report on the outcome of the consultation; and
 - ii. any written representations that were received from interested parties during the consultation process and were not withdrawn.

9.13.15 Following submission of the report the licensee must seek the Authority's approval for either:

- (a) treating the new Zero Licence Baseline Entry Capacity Point or the new Zero Licence Baseline Exit Capacity Point as a Relevant Point on the licensee's pipeline system, or
- (b) not treating it as a Relevant Point on the licensee's pipeline system.

Appendix 2

Licence Baseline Exit Capacity

NTS Exit Point	Type of offtake	Baseline capacity (in GWh/d, as of 1 April 2021)
Bacton	GDN (EA)	3.66
Brisley	GDN (EA)	3.11
Cambridge	GDN (EA)	0.00
Great Wilbrahim	GDN (EA)	35.59
Matching Green	GDN (EA)	92.34
Peterborough Eye (Tee)	GDN (EA)	23.35
Roudham Heath	GDN (EA)	25.47
Royston	GDN (EA)	2.70
Whitwell	GDN (EA)	161.87
West Winch	GDN (EA)	10.09
Yelverton	GDN (EA)	72.94
Alrewas (EM)	GDN (EM)	139.91
Blaby	GDN (EM)	13.40
Blyborough	GDN (EM)	79.33
Caldecott	GDN (EM)	11.08
Thornton Curtis (DN)	GDN (EM)	118.19
Drointon	GDN (EM)	74.27
Gosberton	GDN (EM)	15.23
Kirkstead	GDN (EM)	1.21
Market Harborough	GDN (EM)	9.48
Silk Willoughby	GDN (EM)	3.53 <u>2.46</u>
Sutton Bridge	GDN (EM)	1.08
Tur Langton	GDN (EM)	65.67
Walesby	GDN (EM)	0.97
Asselby	GDN (NE)	4.59

Baldersby	GDN (NE)	1.34
Burley Bank	GDN (NE)	20.31
Ganstead	GDN (NE)	23.15
Pannal	GDN (NE)	148.41
Paull	GDN (NE)	46.86
Pickering	GDN (NE)	9.38
Rawcliffe	GDN (NE)	5.05 <u>6.90</u>
Towton	GDN (NE)	80.73
Bishop Auckland	GDN (NO)	62.13
Coldstream	GDN (NO)	2.85
Corbridge	GDN (NO)	0.17
Cowpen Bewley	GDN (NO)	52.12 <u>51.90</u>
Elton	GDN (NO)	60.21
Guyzance	GDN (NO)	2.19
Humbleton	GDN (NO)	0.25
Keld	GDN (NO)	1.89
Little Burdon	GDN (NO)	20.92
Melkinton	GDN (NO)	2.43
Saltwick Pressure Controlled	GDN (NO)	9.22
Saltwick Volumetric Controlled	GDN (NO)	69.07
Thrintoft	GDN (NO)	6.92
Towlaw	GDN (NO)	0.57
Wetheral	GDN (NO)	29.11
Horndon	GDN (NT)	46.41
Luxborough Lane	GDN (NT)	165.30
Peters Green	GDN (NT)	151.86
Peters Green South Mimms	GDN (NT)	197.18
Winkfield (NT)	GDN (NT)	15.91

Audley (NW)	GDN (NW)	12.14
Blackrod	GDN (NW)	166.55
Ecclestone	GDN (NW)	21.14
Holmes Chapel	GDN (NW)	22.20
Lupton	GDN (NW)	16.23
Malpas	GDN (NW)	0.99
Mickle Trafford	GDN (NW)	29.21
Partington	GDN (NW)	87.63
Samlesbury	GDN (NW)	110.99
Warburton	GDN (NW)	110.65
Weston Point	GDN (NW)	30.60
Aberdeen	GDN (SC)	23.54
Armadale	GDN (SC)	16.01
Balgray	GDN (SC)	15.72
Bathgate	GDN (SC)	24.18
Broxburn	GDN (SC)	60.44
Burnhervie	GDN (SC)	22.38
Careston	GDN (SC)	3.85
Drum	GDN (SC)	82.53
St Fergus	GDN (SC)	1.06
Glenmavis	GDN (SC)	145.79
Hume	GDN (SC)	1.68
Kinknockie	GDN (SC)	3.07
Langholm	GDN (SC)	0.25
Lauderhill	GDN (SC)	1.79
Lockerbie	GDN (SC)	7.44
Netherhowcleugh	GDN (SC)	0.32
Pitcairngreen	GDN (SC)	1.92
Soutra	GDN (SC)	10.73

Stranraer	GDN (SC)	0.93
Farningham	GDN (SE)	135.12 <u>86.62</u>
Farningham B	GDN (SE)	117.88 <u>80.37</u>
Shorne	GDN (SE)	67.06 <u>62.35</u>
Tatsfield	GDN (SE)	221.74 <u>213.92</u>
Winkfield (SE)	GDN (SE)	106.26
Braishfield A	GDN (SO)	107.28
Braishfield B	GDN (SO)	58.87
Crawley Down	GDN (SO)	0.00
Hardwick	GDN (SO)	123.70
Ipsden	GDN (SO)	12.39
Ipsden 2	GDN (SO)	15.68
Mappowder	GDN (SO)	44.68
Winkfield (SO)	GDN (SO)	71.86
Aylesbeare	GDN (SW)	22.68
Cirencester	GDN (SW)	8.97
Coffinswell	GDN (SW)	5.15
Easton Grey	GDN (SW)	29.60
Evesham	GDN (SW)	6.57
Fiddington	GDN (SW)	25.95
Ilchester	GDN (SW)	34.96
Kenn	GDN (SW)	15.43
Littleton Drew	GDN (SW)	2.47 <u>2.90</u>
Lyneham (Choakford)	GDN (SW)	50.30
Pucklechurch	GDN (SW)	25.79
Ross (SW)	GDN (SW)	4.53
Seabank (DN)	GDN (SW)	60.74
Alrewas (WM)	GDN (WM)	128.48
Aspley	GDN (WM)	84.65

Audley (WM)	GDN (WM)	21.83
Austrey	GDN (WM)	87.84
Leamington	GDN (WM)	4.26
Lower Quinton	GDN (WM)	29.91
Milwich	GDN (WM)	21.64
Ross (WM)	GDN (WM)	16.52
Rugby	GDN (WM)	80.08
Shustoke	GDN (WM)	44.76
Stratford-upon-Avon	GDN (WM)	4.68
Maelor	GDN (WN)	57.56
Dowlais	GDN (WS)	105.98 <u>110.64</u>
Dyffryn Clydach	GDN (WS)	40.23
Gilwern	GDN (WS)	82.68
Abson (Seabank Power Station phase I)	DC	36.59
Air Products (Teesside)	DC	0.00
Apache (Sage Black Start)	DC	0.00
Bacton (Great Yarmouth)	DC	20.04
Barking (Horndon)	DC	58.59
Barrow (Black Start)	DC	1.00
Billingham ICI (Terra Billingham)	DC	33.64
Bishop Auckland (test facility)	DC	0.00
Blackness (BP Grangemouth)	DC	27.29
Blyborough (Brigg)	DC	16.89
Blyborough (Cottam)	DC	19.30
Brine Field (Teesside) Power Station	DC	0.00
Burton Point (Connahs Quay)	DC	73.21
Caldecott (Corby Power Station)	DC	21.12

Carrington (Partington) Power Station	DC	45.00
Cockenzie Power Station	DC	0.00
Coryton 2 (Thames Haven) Power Station	DC	0.00
Centrax Industrial	DC	0.09
Deeside	DC	28.48
Didcot	DC	137.76
Drakelow Power Station	DC	0.00
Eastoft (Keadby Blackstart)	DC	2.38 <u>1.46</u>
Eastoft (Keadby)	DC	36.06
Eggborough Power Station	DC	0.00
Enron Billingham	DC	116.65 <u>114.90</u>
Epping Green (Enfield Energy, aka Brimsdown)	DC	19.60
Ferny Knoll (AM Paper)	DC	1.08
Fordoun CNG Station	DC	0.00
Glasgoforest	DC	0.00
Goole (Guardian Glass)	DC	1.62
Gowkhall (Longannet)	DC	43.32
Grain Power Station	DC	0.00
Grain North Power Station	DC	0.00
Harwarden (Shotton, aka Shotton Paper)	DC	11.59
Hatfield Power Station	DC	0.00
Hirwaun Power Station	DC	0.00
Hollingsgreen (Hays Chemicals)	DC	3.25
Keadby 2 Power Station	DC	0.00 <u>39.78</u>
Kinneil CHP	DC	0.00
Langage Power Station	DC	41.62

Marchwood Power Station	DC	39.84
Medway (aka Isle of Grain Power Station NOT Grain Power)	DC	38.12
Middle Stoke (Damhead Creek, aka Kingsnorth Power Station)	DC	95.34
Millbrook Power Station	DC	0.00
Moffat (Irish Interconnector)	INTERCONNECTOR	530.09
Palm Paper	DC	4.20
Pembroke Power Station	DC	121.20
Peterborough (Peterborough Power)	DC	23.28 <u>2.80</u>
Phillips Petroleum, Teesside	DC	3.69
Pickmere (Winnington Power, aka Brunner Mond)	DC	15.38
Roosecote Power Station (Barrow)	DC	14.73
Rosehill (Saltend Power Station)	DC	57.83
Progress Power Station	DC	0.00
Ryehouse	DC	38.66
Saddle Bow (Kings Lynn)	DC	17.98
Saltend BPHP (BP Saltend HP)	DC	9.10
Saltholme Power Station	DC	7.31
Sandy Lane (Blackburn CHP, aka Sappi Paper Mill)	DC	4.55
Seabank (Seabank Power Station phase II)	DC	19.10
Seal Sands TGPP	DC	0.00
Sellafield Power Station	DC	12.35
Shellstar (aka Kemira, not Kemira CHP)	DC	16.24
Shotwick (Bridgewater Paper)	DC	5.52

Spalding 2 (South Holland) Power Station	DC	0.00
St Fergus Segal	DC	0.00
St. Fergus (Shell Blackstart)	DC	2.58
St. Fergus (Peterhead)	DC	108.30
St. Neots (Little Barford)	DC	35.20
Stallingborough	DC	68.01
Stanford Le Hope (Coryton)	DC	38.60
Staythorpe	DC	82 <u>164.00</u>
Sutton Bridge Power Station	DC	42.64
Teesside (BASF, aka BASF Teesside)	DC	9.75
Teesside Hydrogen	DC	13.28
Terra Nitrogen (aka ICI, Terra Severnside)	DC	13.10 <u>12.58</u>
Thornton Curtis (Humber Refinery, aka Immingham)	DC	67.00
Thornton Curtis (Killingholme)	DC	91.00
Tilbury Power Station	DC	0.00
Tonna (Baglan Bay)	DC	48.65 <u>42.54</u>
Trafford Power Station	DC	0.00
Upper Neeston (Milford Haven Refinery)	DC	8.30
West Burton Power Station	DC	66.00 <u>26.84</u>
Weston Point (Castner Kelner, aka ICI Runcorn)	DC	11.68
Weston Point (Rocksavage)	DC	40.77
Willington Power Station	DC	0.00
Wragg Marsh (Spalding)	DC	37.28
Wyre Power Station	DC	0.00
Zeneca (ICI Avecia, aka "Zenica")	DC	0.11

Bacton (Baird)	STORAGE SITE	0.00
Barrow (Bains)	STORAGE SITE	0.00
Barrow (Gateway)	STORAGE SITE	0.00
Caythorpe	STORAGE SITE	75.00
Deborah Storage (Bacton)	STORAGE SITE	0.00
Hatfield Moor Max Refill	STORAGE SITE	30.21
Hill Top Farm (Hole House Farm)	STORAGE SITE	0.00
Holford	STORAGE SITE	0.00
Hole House Max Refill	STORAGE SITE	119.58
Partington Max Refill	STORAGE SITE	2.41
Saltfleeby Storage (Theddlethorpe)	STORAGE SITE	0.00
Stublach (Cheshire)	STORAGE SITE	0.00
Glenmavis Max Refill	STORAGE SITE	1.62
Barton Stacey Max Refill (Humbly Grove)	STORAGE SITE	100.94
Avonmouth Max Refill	STORAGE SITE	2.30
Dynevor Max Refill	STORAGE SITE	2.61
Garton Max Refill (Aldbrough)	STORAGE SITE	325.51
Hornsea Max Refill	STORAGE SITE	44.79
Rough Max Refill	STORAGE SITE	370.48
Bacton (exit) IP	INTERCONNECTOR	651.68
