

Kristian Marr and Carly Malcolm
Future System Operation,
Office of Gas and Electricity Markets,
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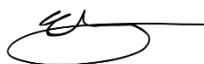
Dear Kristian and Carly,

We welcome the opportunity to respond to the Statutory Consultation on modifications to industry codes to implement the Independent System Operator and Planner (ISOP).

National Gas Transmission (NGT) owns and operates the gas National Transmission System (NTS) and, along with the owners of the Gas Distribution Networks (GDNs), is jointly responsible for the administration of the Uniform Network Code (UNC) which sets out the commercial arrangements for the provision of gas transportation services by NGD and the GDNs. Given this, our responses are limited to the changes proposed to the UNC.

Please find below our responses to the questions posed in the consultation. If you have any questions in respect of these responses please contact Phil Lucas (phil.lucas@nationalgas.com).

Yours sincerely



Elizabeth Ferry
Head of Markets

Questions & Responses

Statutory Consultation

Questions not related to National Security

Q1 Does the package of proposed code changes meet the objectives of the FSO CCP?

We agree that in principle the proposed changes to the Uniform Network Code (UNC) are aligned with the policy objectives to facilitate the introduction of the ISOP. Given this is a new role within the energy industry, as the functions and scope of the ISOP function evolve through experience, we recognise that there may be further changes to the UNC that are deemed appropriate. However, we concur that the revisions proposed in this consultation represent the 'minimum change' required to facilitate commencement of the role.

Q2 Do you have any other views or comments relating to the proposed modifications to the Codes (excluding those modifications relating to National Security)

NGT actively participated in the CCWG and also provided the draft changes to the UNC to reflect the CCWG policy conclusions. On this basis we believe that (subject to the points highlighted in response to Annex J: question 1, below) all the relevant policy points have been addressed by the proposed modifications.

Annex J

Questions related to the UNC code changes

Q1 Have we correctly identified and made all the necessary updates in the UNC and associated documents to enable the ISOP to execute its role as a Gas System Planner? If not, please elaborate what other specific changes are required?

We believe all the changes shown are required in order to reflect the CCWG conclusions regarding policy. Specifically in relation to the transition of the term "Ten Year Statement" to "Long Term Development Statement", we have identified four instances in the UNC General Terms that have not been updated in the proposed text as follows:

Part IIC (Transitional Rules): section 1.1.7(a)(vi)

'an "**ASEP Zone**" is in respect of an Aggregate System Entry Point, the zone in which the Aggregate System Entry Point is located, as more particularly described in National Gas Transmission's Gas Transportation **Ten Year Statement** and a "**Relevant**" ASEP Zone is an ASEP Zone in which a Recipient ASEP is located;'

Part IIC (Transitional Rules): section 10.3.10

'The **Ten Year Statement** to be prepared and published by National Gas Transmission in accordance with TPD Section O4 may include details of the amount of NTS Offtake Capacity held by Users at NTS/LDZ Offtakes.'

GTC (Interpretation): section 2.66

‘Where pursuant to the Code estimates of peak day demand or annual demand are to be made, such estimates will be made under the statistical methodology for such estimation described in the Base Plan Assumptions for the Gas Year 1995/96 (or any revised such methodology established by the Transporters after consultation with Users and described in Base Plan Assumptions or National Gas Transmission's **Ten Year Statement** for any subsequent Gas Year).’

GTC (Interpretation): section 2.67

‘A reference in the Code in relation to any Gas Year to “**Total System 1-in-20 peak day demand**” is the 1-in-20 peak day demand for the Total System established for the Gas Year pursuant to TPD Section O and set out in National Gas Transmission's **Ten Year Statement**.’

Q2 *What are your views on the proposed UNC code changes as set out in this document?*

We have no further views in addition to those we have expressed in response to other questions.