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19th May 2025

[Modifying the special conditions of the gas transporter licence: statutory consultation | Ofgem](#)

Dear Adrian,

This letter is in response to your above consultation which proposes to modify the special conditions of our gas transporter licence by modifying Appendix 1 and 2 of Special Condition 9.1.3 Capacity Requests, Baseline Capacity and Capacity Substitution.

We welcome the opportunity to respond to the above consultation. This response is provided on behalf of National Gas as Licensee and in its role as owner and operator of the Gas Transmission System in Great Britain.

The consultation covers various proposed areas of change which we have considered separately and provide our comments below.

Easington and Rough

The proposal is for the reallocation of a proportion of National Transmission System (NTS) baseline entry capacity from the Easington ASEP to the Rough Storage NTS Entry Point.

It is stated in the consultation that...

‘Centrica also noted the impact on Rough of UNC678A, which was published in May 2020. Following implementation, NGT disaggregated the Rough subterminal, or Storage Connection Point, from the Easington ASEP on the re-establishment of Rough as a licensed gas storage facility and established the Rough sub-terminal as a separate new Rough ASEP. The Rough ASEP was not allocated any baseline capacity. Centrica subsequently made representations to Ofgem that a proportion of the baseline capacity at Easington could be transferred to Rough through an Ofgem-led licence change process without negative implications for other network users’

Prior to Rough ceasing operation as a storage facility in 2017, the Easington baseline detailed within National Gas's (previously National Grid Gas) GT Licence included Rough as they are both at the same physical location. Subsequently, the NTS charging arrangements were amended via UNC0678A, which implemented a discount for Storage capacity charges. Had Rough been operational they would have been split from the Easington ASEP at that point due to different charge rates applying.

In 2022 when the Rough Storage facility returned to production a new "Rough Storage" Point was created on 04/08/2022. It was added to the Zero Licence Baseline Entry Capacity table in accordance with our Gas Transporter Licence Special Condition 9.13 Part E, as a new NTS Entry point. ([Notice](#)). To facilitate entry capacity at the Rough Storage point 3 UNC Modifications have been approved, covering winters 21/22 (0817), 22/23 (0846) and 23/24 (0878), which allowed the transfer of "legacy" entry capacity from Easington to Rough. It was identified that a more enduring solution was required for Rough during these discussions. The proposed National Gas GT Licence change would provide an enduring solution which reallocates baseline capacity at the same physical location on the NTS and therefore makes maximum use of the existing 'Easington (including Rough)' Baseline. We believe this is a pragmatic approach to providing an enduring baseline solution to all of the Easington sub-terminals, including Rough.

We note that in the Gemini system the Rough Storage entry point is established with the site name of "Rough Storage" and therefore we agree with retaining this name within the Licence table (instead of "Rough") to avoid any potential confusion, or unnecessary system changes. We also agree the name of the 'Easington (including Rough)' NTS Entry Point should be amended to 'Easington' in the Licence.

Regarding the analysis referenced in the consultation (paragraph 1.31), we analysed historic flows at Easington for the past 4 years, and identified that the maximum flow seen from the Easington sub-terminals (excluding Rough) in that time was 951 GWh/d against a baseline of 1407.15 GWh/d. This indicates that even after 345.15 GWh/d is moved to the Rough Storage ASEP then there is sufficient remaining baseline capacity available at Easington to enable the maximum flows we have seen in recent time.

Teesside ASEP

The proposal is for the increase of baseline entry capacity at the Teesside ASEP from 445.09 GWh/d to 599.41 GWh/d.

As detailed in the consultation NGT was commissioned to carry out the Baseline review which was carried out in accordance with the published baseline methodology within the Transmission Planning Code (TPC)¹. The baseline review identified the potential for additional entry capacity to be released at Teesside without any meaningful network reinforcement, although it is important to note that the baseline review methodology is a mechanistic methodology that does not include any assessment of future flow scenarios and their impact on the operation of the network.

¹ [Capabilities and methodologies | National Gas](#)

We note that following consultation in 2007 the baseline at Teesside was reduced from 761 GWh/d.

We acknowledge the importance for GB to attract new sources of supply, who wish to explore the potential of delivering gas onto the network and therefore enhance the operation of the GB gas market via additional diversity of supply. We also support the principal of maximising use of available assets as a means of enabling additional supplies, where this is not expected to introduce undue risks or costs for consumers.

New exit points

We support your proposal to add the three new exit points of Sandbach Power Station, Shotton Mill CHP and Thurrock Power Station to Appendix 2, Licence Baseline Exit Capacity of Special Condition 9.13. We also agree that they are classified as excluded from the definition of relevant points under Article 18 (4) of Regulation (EC) 715/2009 as they will each be connected to a single final customer.

If you have any questions regarding any points raised in this response, then please do not hesitate to contact me at Malcolm.montgomery@nationalgas.com.

Yours sincerely,

Malcolm Montgomery
Commercial Codes Change Team Manager