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Dear Mr Burt,

Transmission Planning Code 2008

On the 26 August 2008 National Grid Gas (NGG) submitted the Transmission Planning Code to the Authority for approval. The Special Condition C11 of the Gas Transporters Licence requires that the Transmission Planning Code contains a description of the main technical factors that affect the planning and development of the National Transmission Scheme (NTS) and includes a methodology to determine the physical capability of the NTS. The aim of the code is to provide greater transparency and clarity for system users, to achieve better consistency across the network, and to improve the flow of information available.

NGG's consultation on the Transmission Planning code indicates industry support for the proposed code. We believe that the proposed code meets the requirements of the licence and will satisfy the objectives of providing greater transparency, consistency and improving the flow of information available.

During the workshops held to develop the Transmission Planning Code, NGG presented data from a recent study that it had commissioned, indicating the scope for reform of the design margin (also known as the Flow Margin). We note that NGG is committed to reviewing the design margin and subsequently amending the Transmission Planning Code, however we recognise that any changes to the design margin will need to be agreed with the Health and Safety Executive (HSE) and may require changes to NGG's Safety Case. We expect NGG to pursue the review of the design margin without delay and submit a revised Transmission Planning Code once this is concluded. This should be completed in the next six months.

Ofgem's Decision

Following consideration of the documentation provided and having regard to the Authority's principle objective and statutory duties and for the reasons set out above, Ofgem has decided that it will approve the Transmission Planning Code submitted by NGG on 26th August 2008 pursuant to Special Condition C11.

Stuart Cook
Director, Transmission