

25<sup>th</sup> March 2009

Stuart Cook Director of Transmission  
Ofgem  
9 Millbank  
London  
SW1P 3GE

Centrica Storage Limited  
Venture House  
42-54 London Road  
Staines  
Middlesex TW18 4HF

Telephone +44 (0)1784 415300  
Facsimile +44 (0)1784 415318  
www.centrica-sl.co.uk

[gas.transmissionresponse@ofgem.gov.uk](mailto:gas.transmissionresponse@ofgem.gov.uk)

Dear Stuart,

**Centrica Storage Ltd (CSL) Response to Ofgem Consultation "Review of Entry Capacity Operational Buy-back Incentive and Default Incremental Entry Capacity Lead Time"**

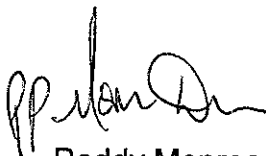
CSL welcomes the opportunity to comment on the above consultation which reviews both the incentive and the default incremental entry capacity lead time. CSL supports the option to reduce the entry capacity operational buy-back incentive to £13 million and agrees that the default incremental entry capacity lead time should remain at 42 months and be reviewed at the next price control review.

CSL has contributed to, and is in full agreement with, the Gas Forum response and therefore has not repeated the responses to the questions raised in the consultation on the case for reducing the incentive to £13m here.

We do, however, wish to reiterate our view that we find it wholly unsatisfactory that National Grid should now be seeking to extend lead times for incremental entry capacity. As Ofgem will no doubt be aware National Grid mounted a sustained and well resourced campaign to ensure that its pipe line amendment was made to the Planning Act. CSL, who was party to the Planning Roundtable discussions, understood that this amendment would have no detrimental impact on lead times; in fact we believed that if developments were consented under one authority that this would help to reduce lead times. Any shift from this position would need careful consideration; both for consistency of message given during the amendment debate and the impact on shipper competition and security of supply.

For completeness, in Annex A, I attach a copy of the Gas Transporter Pipelines and the Planning Bill amendment for certain Gas Transporter Pipelines to be decided by the Infrastructure Planning Commission

Yours sincerely



Roddy Monroe  
Regulation Manager

## **Annex A**

### **Gas Transporter Pipelines and the Planning Bill: Amendment for certain Gas Transporter Pipelines to be decided by the Infrastructure Planning Commission**

BERR is seeking urgent views on a proposed amendment to the Planning Bill to include certain Gas Transporter pipelines and associated Above Ground Installations as nationally significant infrastructure. This is in response to concerns from the industry and following a meeting with industry stakeholders.

The Planning Bill has already completed Committee stage in the House of Commons which means there is very little time in which to come to a view on this proposal if the Government is to seek to make an amendment.

The proposed amendment is intended to ensure that consents for high pressure gas pipelines and the associated Above Ground Installations (AGIs) that move gas in bulk from import points through the national transmission system and local transmission system can be determined by the IPC. Permitted Development Rights will be lost for those pipelines determined by the IPC.

The Gas Transporter Pipelines which would become subject to the IPC regime would be those which meet the conditions and threshold below. BERR invites views on

- Whether the conditions below catch nationally significant pipelines which are needed to transmit gas to the local transmission system
- Do the conditions catch by mistake local distribution pipelines which are better suited to being constructed under Permitted Development Rights?

Comments should be sent to [joy.anderton@berr.gsi.gov.uk](mailto:joy.anderton@berr.gsi.gov.uk)

### **Suggested description and threshold of a nationally significant Gas Transporter Pipeline to be included in the IPC regime under the Planning Bill**

The construction of a pipe-line would be a nationally significant infrastructure project within clause 13(1)(f) of the Planning Bill if it satisfies the following conditions:

- (1) The pipeline begins and ends in England, or the English bit of any pipe-line that has one end in England and the other end in Wales or in Scotland
- (2) The proposed developer is a Gas Transporter. Gas Transporter should have the same meaning as in Part 1 of the Gas Act 1986.
- (3) The pipeline will be underground.
- (4) The pipeline is expected to have a design operating pressure exceeding 7 bar gauge.
- (5) The pipeline is made of steel.
- (6) The pipeline supplies gas to at least 50,000 consumer supply points

All six conditions must be met.

As is already the case under the Planning Bill, pipe-line should have the meaning given by s.65 of the Pipe-lines Act 1962.

## **Background**

### **The case for including Gas Transporter pipelines in the IPC regime**

These are essential pipelines for ensuring that gas can reach centres of demand. Currently gas pipelines of this nature are built by Gas Transporters using permitted development rights. They require Environmental Impact Assessment (EIA) consent from the Secretary of State and TCPA permission for associated works on the pipeline.

National Grid and the four main distribution companies have made a case for high pressure pipelines and associated development to be decided by the IPC in preference to retaining Permitted Development Rights (PDRs). They see benefits in obtaining a single development consent for all the components of a major project.

### **Current position**

Gas Transporter Pipelines benefit from Permitted Development Rights

A separate EIA consent is needed for pipelines which have a significant environmental impact: it is mandatory for pipelines of more than 40 kms in length and 800mm diameter; it may be necessary and may have to be determined for pipelines which operate at pressures over 7 bar gauge, or will be routed through a sensitive area.

Above Ground Installations require TCPA consent from Local Planning Authorities

### **What would the amendment do?**

The amendment would ensure that a transmission or high pressure distribution pipeline project in England qualifies as an NSIP under the Planning Bill and that it can benefit from the single consent regime. This would mean that development consent could be given for the AGIs needed for the pipeline. We would also want the IPC to give the EIA consent for the project. The amendment could not cover Wales or Scotland because of the devolution settlement. We would be looking to cover pipelines in England only.

Gas Transporters would retain PDRs for pipelines which do not meet the threshold and cannot, even after the amendment, be considered by the IPC.