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Date: 14 January 2014

Dear Phil

**National Grid Gas plc's proposal to substitute NTS Exit (Flat) Capacity and our subsequent consent published on 16 December 2013**

We published our consent to your proposal to substitute NTS Exit (Flat) Capacity on 16 December 2013. We have since noticed an error in one of the tables in Annex A. The line for Pembroke in the last row of the table showing the baseline modification proposal contained an incorrect date.

We have now corrected this mistake, please see the attached amended consent. The new letter states that the step change happens in April 2019, consistent with your proposal (and not April 2017 as per our previous letter).

We have also corrected the date that states when we received National Grid Gas' letter. We received National Grid Gas' letter on 27 November, not on 26 November as initially stated.

This letter replaces the earlier consent letter, and will be published today.

**Approved baseline Modification Proposal**

NTS Exit Point	Recipient/ Donor	Current Baseline (kWh/d)	Proposed Baseline (kWh/d)
DYFFRYNCLYDOT	Donor	Oct 2016 to March 2017: 42,780,000  From April 2017: 42,781,335	Oct 2016 to March 2017: 40,231,639  From April 2017: 40,231,974
DOWLAISOT	Donor	Oct 2016 to March 2017: 112,180,000  From April 2017: 112,180,268	Oct 2016 to March 2017: 105,977,188  From April 2017: 105,977,456
PEMBROKEPS	Recipient	Oct 2016 to March <del>2017</del> <b>2019</b> : 103,200,000  From April <del>2017</del> <b>2019</b> : 114,200,000	Oct 2016 to March 2019: 110,200,000  From April 2017: 121,200,000

Yours sincerely

A handwritten signature in blue ink that reads "Andy Burgess".

**Andy Burgess**  
**Associate Partner, Transmission and Distribution Policy**

Enclosed: Amended consent letter "Corrected: Consent to your proposal to substitute Baseline National Transmission System (NTS) Exit (Flat) Capacity"

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Date of publication of correction: 14 January 2014

Date of consent: 16 December 2013

Dear Phil

## **Corrected: Consent to your proposal to substitute Baseline National Transmission System (NTS) Exit (Flat) Capacity**

Thank you for your letter of 25 November 2013 outlining National Grid Gas's (NGG) proposal to substitute NTS Exit (Flat) Capacity.<sup>1</sup> We received this letter on 27 November 2013.

### **Background**

Exit Capacity Substitution is the process by which unsold baseline NTS Exit Capacity is moved from one or more NTS Exit Point (Donor Exit Points) to meet demand for new NTS Exit Capacity at another NTS Exit Point (Recipient Exit Point). Exit Capacity Substitution can avoid or defer the need for new investment to meet incremental capacity needs, and so help reduce the costs of gas transportation for gas customers.

You say that one request was made for Enduring Annual NTS Exit (Flat) Capacity higher than the current baseline at the NTS Exit Point Pembroke Power Station.

You state that the amount of the request was 7,000,000 kWh/d. You propose to meet this offtake by substituting unsold Baseline NTS Exit (Flat) Capacity with unsold Baseline NTS Exit (Flat) Capacity from a combination of the Dyffryn Clydach and Dowlais offtake NTS Exit Points (for detail, see Annex 1 of this letter).

### **Our decision**

In your letter and its appendix, you give evidence that you have reached this proposal in accordance with your licence.<sup>2</sup> We are also content that the proposed Exit Capacity substitution is consistent with NGG's Exit Capacity Substitution methodology.<sup>3</sup> The methodology aims to promote the economic and efficient development of the NTS, by

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<sup>1</sup> In accordance with Special Condition 5G.

<sup>2</sup> Special Condition 5G.

<sup>3</sup> Please find this methodology on National Grid's website: <http://www2.nationalgrid.com/UK/Industry-information/Gas-capacity-methodologies/Exit-Capacity-Substitution-and-Revision-Methodology-Statement/>.

seeking to minimise the amount of infrastructure investment to meet incremental demand for Exit Capacity.

Yours sincerely

A handwritten signature in blue ink that reads "Andy Burgess". The signature is written in a cursive style with a period at the end.

**Andy Burgess**  
**Associate Partner, Transmission and Distribution Policy**

## ANNEX A – Approval of proposed Exit (Flat) Capacity substitution

Recipient NTS Exit Point	Donor NTS Exit Point	Capacity Substituted from Donor (kWh/d)	Exchange Rate Donor: Recipient	Substitution date
PEMBROKEPS	DYFFRYNCLYDOT	2,549,361	1.2503:1	01-Oct-16
PEMBROKEPS	DOWLAISOT	6,202,812	1.2503:1	01-Oct-16

For Dyffryn Clydach the substitution will mean that there is no unsold capacity.

### Approved baseline Modification Proposal

NTS Exit Point	Recipient/ Donor	Current Baseline (kWh/d)	Proposed Baseline (kWh/d)
DYFFRYNCLYDOT	Donor	Oct 2016 to March 2017: 42,780,000  From April 2017: 42,781,335	Oct 2016 to March 2017: 40,231,639  From April 2017: 40,231,974
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