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[www.nationalgrid.com](http://www.nationalgrid.com)

Dear Vanessa

**Re: Consultation on the modification of relevant United Kingdom (“UK”) legislation and licence conditions to ensure Great Britain’s (“GB’s”) compliance with the European legislative definition of gas day**

We welcome the opportunity to respond to this consultation, which is made on behalf of National Grid Gas plc (NGG), in its role as owner and operator of the Gas National Transmission System (NTS) and as owner and operator of the Retained Distribution Networks (RDNs) in Great Britain.

We support Ofgem’s general approach of only proposing the minimum number of modifications that are necessary for GB to comply with EU legislative requirements and agree with Ofgem’s interpretation given to times referred to in the legislation and licences. Broadly, NGG agrees that Ofgem has identified the necessary changes to the GB Regulations (and accompanying Letters of Direction) and to the Gas Transporter Licences in respect of the NTS and RDNs<sup>1</sup>, required in order to ensure GB’s compliance with the European legislative definition of gas day by 1<sup>st</sup> October 2015.

We have set out the answers to each of the Consultation questions below.

**Question 1: Do you agree that the identified legislative amendment to the definition of gas day in the GB Regulations is sufficient to align GB legislation with the EU legislative definition of gas day?**

NGG agrees that the amendment to the definition of gas day in the Gas (Calculation of Thermal Energy) Regulations 1996, as set out in Annex 1 to the Consultation, is sufficient to align GB legislation with the definition of gas day in the European Network Codes (i.e. Capacity Allocation Mechanisms (CAM) and Gas Balancing of Transmission Networks (BAL)).

**Question 2: Do you agree that amending the Directions is necessary following any change to the definition of gas day in the GB Regulations?**

NGG agrees that it is necessary to update the Letters of Direction, as set out in Annex 2 to the Consultation, to align with the new definition of gas day in the GB Regulations.

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<sup>1</sup> National Grid Gas sold four of eight Gas Distribution Networks in Great Britain in June 2005. The acronym RDNs relates to the four networks that NGG retained ownership of (East of England, London, North West and West Midlands)

It would also appear sensible at this time to undertake some 'housekeeping' to update the recipients of the Directions and to update the Ofgem logo contained within the Direction.

NGG is already working on updating our IS and metering systems to account for the change in gas day to ensure we can continue to calculate calorific values correctly.

**Question 3: Do you consider that any other GB legislative amendments are necessary to comply with the EU definition of gas day?**

NGG is not aware of any other GB legislative amendments necessary to comply with the EU definition of gas day.

**Question 4: Do you agree that the identified modification to the gas shipper licence is sufficient to comply with the EU legislative definition of gas day?**

NGG has no comment to make against this question.

**Question 5: Do you agree that the identified modifications to the gas transporter licence are sufficient to comply with the EU legislative definition of gas day?**

NGG agrees that the modifications to both the Standard Special Conditions and Special Conditions of the Gas Transporter Licences in respect of both the NTS and RDNs, as set out in Annexes 5 and 6 to the Consultation are sufficient to comply with the EU legislative definition of gas day.

NGG has no comments to make on Annex 4 to the Consultation, which relates to the Independent Gas Transporter license.

**Question 5(a): With regard to the identified changes to the definition of "Formula Year"/"formula year" and associated time periods in SSC A3(1) and Special Condition 1A.4 of the gas transporter licence, do you agree with the changes proposed to remain consistent with the CAM/BAL gas day definition?**

We agree with the proposed amendments to Standard Special Condition A3(1), and to Special Condition 1A.4 as set out in Annexes 5 and 6 to the Consultation, so as to ensure consistency between the new gas day definition in the GB Regulations and the gas day definition in the European Network Codes.

We also agree that where the relevant definitions refer to a 1<sup>st</sup> April start date, then the first affected time period for these licence conditions would commence on 1<sup>st</sup> April 2016.

**Question 5(b): With regard to Special Conditions 3D.35 and 3D.36 of the gas transporter licence, do you agree with our reasons for not proposing any changes?**

NGG agrees that there is no requirement to make any changes to Special Conditions 3D.35 and 3D.36 for the reasons highlighted; the forecasts are not directly linked to the start time of the gas day and there are no benefits to consumers in doing this. Furthermore, the demand forecast timings within UNC are not being changed under Mod 461 and therefore this approach is consistent.

**Question 6: Do you agree that no modifications to the gas interconnector licence are necessary to comply with the EU legislative definition of gas day?**

NGG has no comment to make against this question.

**Question 7: Do you agree that no modifications to the gas supplier licence are necessary to comply with the EU legislative definition of gas day?**

NGG has no comment to make against this question.

**Question 8: Do you consider that any additional licence modifications are appropriate to comply with the EU legislative definition of gas day, eg any references to “working day” or “business day”? Please include any additional changes you have identified in your response.**

NGG agree that there is no requirement to change the definitions of “working day” or “business day” as they are not directly linked to the gas day definition.

NGG have not identified any other modifications that are required to our Gas Transporter Licences in respect of the NTS and RDNs in order to comply with the EU legislative definition of gas day.

If you would like to discuss any aspect of this response please contact Phil Balfe (NGG NTS) on 07896 599196 or at [phil.balfe@nationalgrid.com](mailto:phil.balfe@nationalgrid.com) or Stephen Hassall (NGG RDNs) on 07827 449316 or at [Stephen.hassall@nationalgrid.com](mailto:Stephen.hassall@nationalgrid.com).

Yours sincerely

*[by e-mail]*

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