

A new approach to NTS connections (NGGT) – 2015 NIC ISP Questions

1. Have you considered any links between this project and the connection process for the gas distribution network? Have you considered partnering with a GDN?

As part of the submission preparation carried out to date, we have considered links between this project and connection processes for the gas distribution networks and established there is a unique challenge for the gas transmission business in finding technical and commercial solutions to meet a wide range of customer requirements. However, there is certainly knowledge sharing and learning from the gas distribution networks we want to understand and incorporate into our own “best of breed” solutions. Therefore as part of the GIGG (Gas Innovation Governance Group) meeting we shared the NIC project selection process and our chosen project with all the distribution networks which was received very positively. As part of our bid preparation activity, we are intending to carry out face to face meetings with each distribution network in order to assess existing options that may be suitable for NTS pressures and understand what learning we can transfer from their connection processes. We think this will enable us to offer the optimum set of options for NTS connections.

2. As the project is anticipating the changes that will be required to the connections process, why would NGGT not undertake the project as business as usual?

This project will fundamentally challenge how NGGT undertake connections on to the NTS, (especially those for smaller volumes) and will include a fundamental review of the physical assets, commercial conditions and operational practices. This is not something we would be able to undertake as business as usual. Connections are a cost pass through activity and the project costs would be too high for an individual customer connection. The project is an innovative approach to customer connections and fits the NIC criteria for customer benefit and environmental savings.

3. In order to pass ISP, the project must meet at least one of the specific requirements. We note that you have indicated that this project meets all of the specific requirements. Currently the explanation is a little general. Please elaborate on how the project meets the specific requirements identified:

- *A specific piece of new (i.e. unproven in GB) equipment (incl. control systems & comms systems & software)*

The project includes a demonstration of new technology by way of a flexible, scalable prototype connection system suitable for the gas transmission network. The project will also develop and deliver a novel web based user tool for customers.

- *A specific novel arrangement or application of existing gas transmission and/or distribution equipment (including control and communications systems software)*

The project will assess and make use of existing NTS assets e.g. block valves to facilitate connections.

- *A specific novel operational practice directly related to the operation of the gas transportation system*

The project will be considering the gas quality regime for the NTS and hence new operational practices in this area required.

- *A novel commercial arrangement*

The project will investigate options for different commercial arrangements including how customers pay for their connections, and hence look to develop commercial solutions for different customer requirements e.g. scalable and modular connections systems.