

All those with an interest in
capacity on the gas transmission
system

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Statutory consultation on the proposed addition of new National Transmission System exit points to National Grid Gas plc's (NTS) gas transporter licence

On 18 March 2016, we¹ published a statutory consultation proposing to modify Part F of Special Condition 5G of National Grid Gas plc's (National Transmission System)(NGG(NTS)) transporter licence. Part F is concerned with "Non-incremental Obligated Exit Capacity". The modification proposes to add three new exit points to the licence - "Palm Paper", "Kinneil CHP" and "St Fergus Segal".

The EU Gas Regulation² requires us to decide whether any new exit points should be classified as 'relevant points'. For relevant points, NGG(NTS) is required to make information about capacity available to the public. We agree with NGG(NTS)'s proposal that the new exit points "Palm Paper" and "Kinneil CHP" should not be classified as relevant exit points. We further agree that "St Fergus Segal" should be classified as a relevant exit point. This letter explains the background to the proposed modification and seeks views on it.

Changes to the licence

Table 8 in Part F of Special Condition 5G lists all the NTS exit points where exit capacity can be bought by shippers. NTS exit points must be listed in this table to allow NGG(NTS) to make exit capacity available to NTS users.

On 15 January 2016 NGG(NTS) requested that three new exit points are added to this table:

Offtake Point	Type of Offtake	Enduring flat Baseline (GWh/d)
Palm Paper	Direct Connect (DC)	0
Kinneil CHP	Direct Connect (DC)	0
St Fergus Segal	Direct Connect (DC)	0

NGG(NTS) is not requesting a revenue driver for any of these new exit points. We propose that these three exit points should be added to the licence. A revised draft of Table 8 can be found in the Appendix 1 of the statutory consultation. We welcome the views of stakeholders on the inclusion of these exit points.

¹ The terms 'the Authority', 'we' and 'us' are used interchangeably in this document. The "Authority" means to GEMA, the Gas and Electricity Markets Authority.

² Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02009R0715-20130601&qid=1409835755981&from=EN>

Approval of relevant points

When proposing to add new exit points to the licence, we must consider whether they are 'relevant points'³ and approve any such relevant points pursuant to Article 18(4) of the EU Gas Regulation. Under Article 18(3), classification as a relevant point requires NGG(NTS) as the Transmission System Operator to make information on the technical, contracted and available capacity available to the public on a regular basis. Exit points which are connected to a single final customer are classified as non-relevant and thus exempt from this obligation since publishing such information could affect commercial confidentiality. NGG(NTS) will, however, publish aggregated information for points which fall outside the definition of relevant point.

We agree that both "Palm Paper" and "Kinneil CHP" should not be considered as relevant exit points because, as NGG(NTS) has stated in its request letter, they are each connected to single final customers. Based on the descriptions provided, we also agree that they should be listed as Industrial and Power Station offtakes respectively and that "St Fergus Segal" should be classified as a relevant exit point. NGG(NTS) has stated that gas will be transported further downstream of the NTS Exit Point and, therefore, there may be more than one single final customer.

Tables showing all relevant points and non-relevant points, including the proposed modifications, can be found in Appendix 1 to this letter. We welcome views on the classification of these exit points.

Consultation

Please send us any views on the issues raised in this letter and the accompanying statutory consultation by 15 April 2016 to: sean.hayward@ofgem.gov.uk or in writing to Sean Hayward, Gas System Integration, Ofgem, 9 Millbank, London, SW1P 3GE. We prefer to receive responses by e-mail.

Please note that any responses to the consultation will be placed on our website unless marked as confidential.

If you have any queries regarding the content of this letter, please contact Sean Hayward by using the email address above or telephone 0207 901 3924.

Yours faithfully

Andy Burgess

Associate Partner, Energy System Integration

Signed on behalf of the Authority and authorised for that purpose

³ 'Relevant point' is defined in Paragraph 3.2 of Chapter 3 of Annex 1 to the EU Gas Regulation.

APPENDIX 1 – LIST OF RELEVANT EXIT POINTS

Table 1: Relevant Points (Exit) on the NTS – Information published in accordance with requirements of the EU Gas Regulation⁴

Aberdeen
Alrewas (EM)
Alrewas (WM)
Armadale
Aspley
Asselby
Audley (NW)
Audley (WM)
Austrey
Avonmouth Max Refill
Aylesbeare
Bacton
Bacton (Baird)
Bacton (BBL)
Bacton (IUK)
Baldersby
Balgray
Barrow (Bains)
Barrow (Gateway)
Barton Stacey Max Refill (Humbly Grove)
Bathgate
Bishop Auckland
Blaby
Blackrod
Blyborough
Braishfield A
Braishfield B
Brisley
Broxburn
Burley Bank
Burnhervie
Caldecott
Cambridge
Careston
Caythorpe
Cirencester
Coffinswell
Coldstream
Corbridge
Cowpen Bewley
Crawley Down
Deborah Storage (Bacton)
Dowlais

⁴ Information to be published in accordance with Article 18.3 and Paragraph 3.1 of Chapter 3 of Annex 1 to the EU Gas Regulation in relation to relevant points as defined in Paragraph 3.2 of Chapter 3 of Annex 1.

Drointon
Drum
Dyffryn Clydach
Dynevor Max Refill
Easton Grey
Ecclestone
Elton
Evesham
Farningham
Farningham B
Fiddington
Ganstead
Garton Max Refill (Aldbrough)
Gilwern
Glenmavis
Glenmavis Max Refill
Gosberton
Great Wilbraham
Guyzance
Hardwick
Hatfield Moor Max Refill
Hill Top Farm (Hole House Farm)
Hole House Max Refill
Holford
Holmes Chapel
Horndon
Hornsea Max Refill
Humbleton
Hume
Ilchester
Ipsden
Ipsden 2
Keld
Kenn
Kinknockie
Kirkstead
Langholm
Lauderhill
Leamington
Little Burdon
Littleton Drew
Lockerbie
Lower Quinton
Lupton
Luxborough Lane
Lyneham (Choakford)
Maelor
Malpas
Mappowder

Market Harborough
Matching Green
Melkinton
Mickle Trafford
Milwich
Moffat (Irish Interconnector)
Netherhowcleugh
Pannal
Partington
Partington Max Refill
Paull
Peterborough Eye (Tee)
Peters Green
Peters Green South Mimms
Pickering
Pitcairngreen
Pucklechurch
Rawcliffe
Ross (SW)
Ross (WM)
Roudham Heath
Rough Max Refill
Royston
Rugby
Saltfleetby Storage (Theddlethorpe)
Saltwick Pressure Controlled
Saltwick Volumetric Controlled
Samlesbury
Seabank (DN)
Seal Sands TGPP
Shorne
Shustoke
Silk Willoughby
Soutra
St Fergus
<u>St Fergus Segal</u>
Stranraer
Stratford-upon-Avon
Stublach (Cheshire)
Sutton Bridge
Tatsfield
Thornton Curtis (DN)
Thrintoft
Towlaw
Towton
Tur Langton
Walesby
Warburton
West Winch

Weston Point
Wetheral
Whitwell
Winkfield (NT)
Winkfield (SE)
Winkfield (SO)
Yelverton

Table 2: Single Final Customers and Production Facilities on the NTS - Information published in accordance with requirements of the EU Gas Regulation⁵

	Power Station	Industrial Offtake
Abson (Seabank Power Station phase I)	Y	
Air Products (Teesside)		Y
Apache (Sage Black Start)		Y
Bacton (Great Yarmouth)	Y	
Barking (Horndon)	Y	
Barrow (Black Start)		Y
Billingham ICI (Terra Billingham)		Y
Bishop Auckland (test facility)		Y
Blackness (BP Grangemouth)		Y
Blyborough (Brigg)	Y	
Blyborough (Cottam)	Y	
Brine Field (Teesside) Power Station	Y	
Burton Point (Connahs Quay)	Y	
Caldecott (Corby Power Station)	Y	
Carrington (Partington) Power Station	Y	
Centrax Industrial		Y
Cockenzie Power Station	Y	
Coryton 2 (Thames Haven) Power Station	Y	
Deeside	Y	
Didcot A	Y	
Didcot B	Y	
Drakelow Power Station	Y	
Eastoft (Keadby Blackstart)	Y	
Eastoft (Keadby)	Y	
Enron Billingham	Y	
Epping Green (Enfield Energy, aka Brimsdown)	Y	
Ferny Knoll (AM Paper)		Y
Fordoun CNG Station		Y
Glasgowforest		Y
Goole (Guardian Glass)		Y
Gowkhall (Longannet)	Y	
Grain Power Station	Y	
Harwarden (Shotton, aka Shotton		Y

⁵ Information to be published in aggregate format and to be published as two aggregate exit points, one for Power Stations and one for Industrial Offtakes (Paragraph 3.2(2) of Chapter 3 of Annex 1 of the EC Gas Regulation)

Paper)		
Hatfield Power Station	Y	
Hollingsgreen (Hays Chemicals)		Y
<u>Kinneil CHP</u>	<u>Y</u>	
Langage Power Station	Y	
Marchwood Power Station	Y	
Medway (aka Isle of Grain Power Station, NOT Grain Power)	Y	
Middle Stoke (Damhead Creek, aka Kingsnorth Power Station)	Y	
<u>Palm Paper</u>		<u>Y</u>
Pembroke Power Station	Y	
Peterborough (Peterborough Power Station)	Y	
Phillips Petroleum, Teesside		Y
Pickmere (Winnington Power, aka Brunner Mond)	Y	
Roosecote Power Station (Barrow)	Y	
Rosehill (Saltend Power Station)	Y	
Ryehouse	Y	
Saddle Bow (Kings Lynn)	Y	
Saltend BPHP (BP Saltend HP)		Y
Sandy Lane (Blackburn CHP, aka Sappi Paper Mill)		Y
Seabank (Seabank Power Station phase II)	Y	
Sellafield Power Station	Y	
Shellstar (aka Kemira, not Kemira CHP)		Y
Shotwick (Bridgewater Paper)		Y
Spalding 2 (South Holland) Power Station	Y	
St. Fergus (Peterhead)	Y	
St. Fergus (Shell Blackstart)		Y
St. Neots (Little Barford)	Y	
Stallingborough (phase 1)	Y	
Stallingborough (phase 2)	Y	
Stanford Le Hope (Coryton)	Y	
Staythorpe PH1	Y	
Staythorpe PH2	Y	
Sutton Bridge Power Station	Y	
Teesside (BASF, aka BASF Teesside)		Y

Teesside Hydrogen		Y
Terra Nitrogen (aka ICI, Terra Severnside)		Y
Thornton Curtis (Humber Refinery, aka Immingham)		Y
Thornton Curtis (Killingholme)	Y	
Tilbury Power Station	Y	
Tonna (Baglan Bay)	Y	
Trafford Power Station	Y	
Upper Neeston (Milford Haven Refinery)		Y
West Burton Power Station	Y	
Weston Point (Castner Kelner, aka ICI Runcorn)		Y
Weston Point (Rocksavage)	Y	
Willington Power Station	Y	
Wragg Marsh (Spalding)	Y	
Wyre Power Station	Y	
Zeneca (ICI Avecia, aka 'Zenica')		Y