

National Grid Gas plc, all those
with an interest in capacity on
the gas transmission system

Email: kirsty.earle@ofgem.gov.uk

Date: 25 October 2018

Dear Colleagues,

Statutory consultation on the proposed addition of new exit and entry points to National Grid Gas plc's gas transporter licence and statutory consultation on the classification of exit and entry points as designated points under Article 18(4) EU Gas Regulation.¹

Today we² published a statutory consultation proposing to modify Part F of Special Condition 5G (Determination of Incremental Obligated Exit Capacity volume and the appropriate revenue drivers to apply) and Part F of Special Condition 5F (Determination of Incremental Obligated Entry Capacity volume and the appropriate revenue drivers to apply) of National Grid Gas plc's (NGG) gas transporter licence.³

Part F of Special Condition 5G is concerned with Non-incremental Obligated Exit Capacity and the modification proposes to add two new exit points to the licence condition, "Keadby 2 Power Station" and "Eggborough Power Station". Part F of Special Condition 5F is concerned with Non-incremental Obligated Entry Capacity and the modification proposes to add one new entry point to the licence condition, "Murrow".

The EU Gas Regulation¹ requires us to decide whether any new exit or entry points should be classified as 'relevant points'.⁴ For relevant points, NGG is required to make information about capacity available to the public. We agree with NGG's proposal that the new exit points "Keadby 2 Power Station" and "Eggborough Power Station" should not be classified as relevant exit points. We further agree that "Murrow" should not be classified as a relevant entry point. This letter explains the background to the proposed modification and seeks views on it.

¹ 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 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02009R0715-20150525&from=EN>

² The terms 'the Authority', 'we' and 'us' are used interchangeably in this document. The "Authority" means to GEMA, the Gas and Electricity Markets Authority.

³ National Grid Gas Plc (NTS), Gas Transporter Licence, Special Conditions. <https://epr.ofgem.gov.uk/Content/Documents/National%20Grid%20Gas%20Plc%20-%20Special%20Conditions%20Consolidated%20-%20Current%20Version.pdf>

⁴ 'Relevant point' is defined in Paragraph 3.2 of Chapter 3 of Annex 1 to the EU Gas Regulation.

Proposed changes to NGG’s gas transporter licence

On 22nd August 2018 NGG requested to add 3 new points to National Grid Gas plc’s gas transporter licence. This request is on behalf of potential new customers and users of the network at these points.

New NTS Exit Points

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

On 22nd August 2018 NGG confirmed the details of its request to add two new exit points to this table:

Offtake Point	Type of Offtake	Enduring Flat Baseline (GWh/d)
Keadby 2 Power Station	Direct Connect (DC)	0
Eggborough Power Station	Direct Connect (DC)	0

NGG is not requesting a revenue driver⁵ for any of these new exit points. We propose that these two exit points should be added to the licence to allow these points to connect to the NTS. A revised version of Table 8 is in Appendix 1 of the statutory consultation. We welcome the views of stakeholders on the inclusion of these exit points.

New NTS Entry Points

Table 4B in Part F of Special Condition 5F lists all the NTS entry points where entry capacity can be bought by shippers. NTS entry points must be listed in this table to allow NGG to make entry capacity available to NTS users.

On 22nd August 2018 NGG confirmed the details of its request to add one new entry point to this table:

NTS Entry Point	Baseline Capacity (GWh/d)
Murrow	0

NGG is not requesting a revenue driver⁵ for this new entry point. We propose that the entry point should be added to the licence to allow this point to connect to the NTS. A revised version of Table 4B is in Appendix 1 of the statutory consultation. We welcome views of stakeholders on the inclusion of this entry point.

Approval of Relevant Points

When proposing to add new points to NGG’s gas transporter licence, we must consider whether they are ‘relevant points’⁴ and approve any such relevant points pursuant to Article 18(4) of the EU Gas Regulation. Under Article 18(3)¹, classification as a relevant point requires NGG as the Transmission System Operator to make information on the technical, contracted and available capacity available to the public on a regular basis.

⁵ Where additional investment is anticipated, revenue drivers provide a means of calculating the applicable additional funding allowances, in accordance with Special Conditions 5F and Special Condition 5G of NGG’s gas transporter licence.

“Keadby 2 Power Station” and “Eggborough Power Station” are not covered by the minimum requirements of the definition of relevant points for transparency requirements set out in Chapter 3 Annex 1 of the EU Gas Regulation.⁴ NGG has stated in its request, they are each connected to single, final customers. For these reasons, we are proposing they should not be considered as relevant exit points.⁴

“Murrow” is not covered by the minimum requirements of the definition of relevant points for transparency requirements set out in Chapter 3 Annex 1 of the EU Gas Regulation.⁴ NGG has stated in its request that it is directly linked to the production facility of a single producer. For these reasons, we are proposing it should not be considered a relevant entry point.⁴

Tables showing all entry and exit points, including the proposed modifications to the licence, are in Appendix 1 to this letter. We welcome views on the classification of these exit and entry points and the suggested licence modifications.

Consultation

Please send us any views on the issues raised in this letter and the accompanying statutory consultation on or before 22 November 2018 to: kirsty.earle@ofgem.gov.uk or in writing to Kirsty Earle, Gas System Integration, Ofgem, 32 Albion Street, G1 1LH. We prefer to receive responses by e-mail.

Any responses to the consultation will be placed on our website unless marked as confidential. You can ask for your response to be kept confidential and we will respect this subject to any obligations to disclose information, for example under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

If you would like your responses to be kept confidential, clearly mark the document/s to that effect and include the reasons for confidentiality.

If you have any queries regarding this letter, please contact Kirsty Earle by using the email address above or telephone 0203 263 2791.

Yours faithfully,

Eleanor Warburton

Eleanor Warbuton

Deputy Director, Energy System Transition

Signed on behalf of the Authority and authorised for that purpose

APPENDIX 1: Proposed modifications: additions are shown as double underscore

Special Condition 5G, Part F: Determination of Incremental Obligated Exit Capacity volumes and the appropriate revenue drivers to apply

Table 8: Licence Baseline Exit Capacity

Offtake Point	Type of Offtake	Enduring flat baseline (GWh/d)
Bacton	GDN (EA)	3.66
Brisley	GDN (EA)	3.11
Cambridge	GDN (EA)	0
Great Wilbraham	GDN (EA)	35.59
Matching Green	GDN (EA)	92.31
Peterborough Eye (Tee)	GDN (EA)	25.45
Roudham Heath	GDN (EA)	25.46
Royston	GDN (EA)	2.70
Whitwell	GDN (EA)	161.87
West Winch	GDN (EA)	12.26
Yelverton	GDN (EA)	64.61
Alrewas (EM)	GDN (EM)	139.87
Blaby	GDN (EM)	13.40
Blyborough	GDN (EM)	79.33
Caldecott	GDN (EM)	11.08
Thornton Curtis (DN)	GDN (EM)	118.15
Drointon	GDN (EM)	74.27
Gosberton	GDN (EM)	15.23
Kirkstead	GDN (EM)	1.21
Market Harborough	GDN (EM)	9.48
Silk Willoughby	GDN (EM)	3.53
Sutton Bridge	GDN (EM)	1.71
Tur Langton	GDN (EM)	65.67

Walesby	GDN (EM)	0.97
Asselby	GDN (NE)	3.92
Baldersby	GDN (NE)	1.34
Burley Bank	GDN (NE)	20.31
Ganstead	GDN (NE)	23.15
Pannal	GDN (NE)	148.41
Paull	GDN (NE)	38.14
Pickering	GDN (NE)	9.38
Rawcliffe	GDN (NE)	3.55
Towton	GDN (NE)	80.73
Bishop Auckland	GDN (NO)	62.13
Coldstream	GDN (NO)	1.96
Corbridge	GDN (NO)	0.07
Cowpen Bewley	GDN (NO)	52.12
Elton	GDN (NO)	38.27
Guyzance	GDN (NO)	2.19
Humbleton	GDN (NO)	0.16
Keld	GDN (NO)	1.89
Little Burdon	GDN (NO)	17.75
Melkinthorpe	GDN (NO)	1.77
Saltwick Pressure Controlled	GDN (NO)	9.22
Saltwick Volumetric Controlled	GDN (NO)	69.07
Thrintoft	GDN (NO)	5.16
Towlaw	GDN (NO)	0.55
Wetheral	GDN (NO)	29.11

Horndon	GDN (NT)	46.41
Luxborough Lane	GDN (NT)	165.3
Peters Green	GDN (NT)	151.86
Peters Green South Mimms	GDN (NT)	197.12
Winkfield (NT)	GDN (NT)	15.91
Audley (NW)	GDN (NW)	12.14
Blackrod	GDN (NW)	166.49
Ecclestone	GDN (NW)	21.14
Holmes Chapel	GDN (NW)	22.19
Lupton	GDN (NW)	16.23
Malpas	GDN (NW)	0.99
Mickle Trafford	GDN (NW)	29.08
Partington	GDN (NW)	87.63
Samlesbury	GDN (NW)	110.99
Warburton	GDN (NW)	110.62
Weston Point	GDN (NW)	30.64
Aberdeen	GDN (SC)	23.09
Armadale	GDN (SC)	3.01
Balgray	GDN (SC)	11.4
Bathgate	GDN (SC)	24.22
Broxburn	GDN (SC)	60.80
Burnhervie	GDN (SC)	22.38
Careston	GDN (SC)	3.05
Drum	GDN (SC)	77.04
St Fergus	GDN (SC)	0.88
Glenmavis	GDN (SC)	145.79

Hume	GDN (SC)	1.22
Kinknockie	GDN (SC)	2.35
Langholm	GDN (SC)	0.15
Lauderhill	GDN (SC)	1.79
Lockerbie	GDN (SC)	5.7
Netherhowcleugh	GDN (SC)	0.2
Pitcairngreen	GDN (SC)	1.59
Soutra	GDN (SC)	4.19
Stranraer	GDN (SC)	0.68
Farningham	GDN (SE)	135.12
Farningham B	GDN (SE)	0
Shorne	GDN (SE)	67.06
Tatsfield	GDN (SE)	276.46
Winkfield (SE)	GDN (SE)	106.26
Braishfield A	GDN (SO)	107.28
Braishfield B	GDN (SO)	46.65
Crawley Down	GDN (SO)	0
Hardwick	GDN (SO)	118.68
Ipsden	GDN (SO)	12.39
Ipsden 2	GDN (SO)	14.25
Mappowder	GDN (SO)	47.68
Winkfield (SO)	GDN (SO)	71.86
Aylesbeare	GDN (SW)	22.68
Cirencester	GDN (SW)	8.97
Coffinswell	GDN (SW)	5.15
Easton Grey	GDN (SW)	29.60
Evesham	GDN (SW)	6.57

Fiddington	GDN (SW)	25.95
Ilchester	GDN (SW)	34.96
Kenn	GDN (SW)	15.43
Littleton Drew	GDN (SW)	2.47
Lyneham (Choakford)	GDN (SW)	50.30
Pucklechurch	GDN (SW)	25.79
Ross (SW)	GDN (SW)	4.53
Seabank (DN)	GDN (SW)	60.74
Alrewas (WM)	GDN (WM)	128.48
Aspley	GDN (WM)	84.65
Audley (WM)	GDN (WM)	21.83
Austrey	GDN (WM)	87.81
Leamington	GDN (WM)	4.26
Lower Quinton	GDN (WM)	29.91
Milwich	GDN (WM)	21.63
Ross (WM)	GDN (WM)	16.52
Rugby	GDN (WM)	80.08
Shustoke	GDN (WM)	44.76
Stratford-upon-Avon	GDN (WM)	4.68
Maelor	GDN (WN)	57.56
Dowlais	GDN (WS)	112.18
Dyffryn Clydach	GDN (WS)	42.78
Gilwern	GDN (WS)	52.74
Abson (Seabank Power Station phase I)	DC	36.59
Air Products (Teeside)	DC	0

Apache (Sage Black Start)	DC	0
Bacton (Great Yarmouth)	DC	20.04
Barking (Horndon)	DC	58.59
Barrow (Black Start)	DC	0
Billingham ICI (Terra Billingham)	DC	43.54
Bishop Auckland (test facility)	DC	0
Blackness (BP Grangemouth)	DC	27.29
Blyborough (Brigg)	DC	16.89
Blyborough (Cottam)	DC	17.54
Brine Field (Teesside) Power Station	DC	0
Burton Point (Connahs Quay)	DC	73.21
Caldecott (Corby Power Station)	DC	21.12
Carrington (Partington) Power Station	DC	0
Cockenzie Power Station	DC	0
Coryton 2 (Thames Haven) Power Station	DC	0
Centrax Industrial	DC	0
Deeside	DC	28.48
Didcot	DC	137.76
Drakelow Power Station	DC	0

Eastoft (Keadby Blackstart)	DC	2.38
Eastoft (Keadby)	DC	36.06
<u>Eggborough Power Station</u>	<u>DC</u>	<u>0</u>
Enron Billingham	DC	121.51
Epping Green (Enfield Energy, aka Brimsdown)	DC	18.41
Ferny Knoll (AM Paper)	DC	1.08
Fordoun CNG Station	DC	0
Glasgoforest	DC	0
Goole (Guardian Glass)	DC	1.62
Gowkhall (Longannet)	DC	43.32
Grain Power Station	DC	0
Harwarden (Shotton, aka Shotton Paper)	DC	11.59
Hatfield Power Station	DC	0
Hollingsgreen (Hays Chemicals)	DC	3.25
<u>Keadby 2 Power Station</u>	<u>DC</u>	<u>0</u>
Kinneil CHP	DC	0
Langage Power Station	DC	0
Marchwood Power Station	DC	0
Medway (aka Isle of Grain Power Station, NOT Grain Power)	DC	38.12

Middle Stoke (Damhead Creek, aka Kingsnorth Power Station)	DC	40.94
Moffat (Irish Interconnector)	INTERCONNECTOR	433.4
Palm Paper	DC	0
Pembroke Power Station	DC	0
Peterborough (Peterborough Power Station)	DC	23.28
Phillips Petroleum, Teesside	DC	3.69
Pickmere (Winnington Power, aka Brunner Mond)	DC	15.38
Roosecote Power Station (Barrow)	DC	14.73
Rosehill (Saltend Power Station)	DC	57.83
Ryehouse	DC	38.66
Saddle Bow (Kings Lynn)	DC	17.98
Saltend BPHP (BP Saltend HP)	DC	9.1
Sandy Lane (Blackburn CHP, aka Sappi Paper Mill)	DC	4.55
Seabank (Seabank Power Station phase II)	DC	19.1
Seal Sands TGPP	DC	0
Sellafield Power Station	DC	12.35

Shellstar (aka Kemira, not Kemira CHP)	DC	16.24
Shotwick (Bridgewater Paper)	DC	5.52
Spalding 2 (South Holland) Power Station	DC	0
St Fergus Segal	DC	0
St. Fergus (Shell Blackstart)	DC	0
St. Fergus (Peterhead)	DC	108.3
St. Neots (Little Barford)	DC	35.2
Stallingborough	DC	66.5
Stanford Le Hope (Coryton)	DC	36.61
Staythorpe	DC	76.24
Sutton Bridge Power Station	DC	37.47
Teesside (BASF, aka BASF Teesside)	DC	9.75
Teesside Hydrogen	DC	6.61
Terra Nitrogen (aka ICI, Terra Severnside)	DC	13.1
Thornton Curtis (Humber Refinery, aka Immingham)	DC	46.89
Thornton Curtis (Killingholme)	DC	81.22
Tilbury Power Station	DC	0
Tonna (Baglan Bay)	DC	26.75
Trafford Power Station	DC	0

Upper Neeston (Milford Haven Refinery)	DC	0
West Burton Power Station	DC	0
Weston Point (Castner Kelner, aka ICI Runcorn)	DC	11.7
Weston Point (Rocksavage)	DC	38.19
Willington Power Station	DC	0
Wragg Marsh (Spalding)	DC	42.02
Wyre Power Station	DC	0
Zeneca (ICI Avecia, aka 'Zenica')	DC	0.11
Bacton (Baird)	STORAGE SITE	0
Barrow (Bains)	STORAGE SITE	0
Barrow (Gateway)	STORAGE SITE	0
Caythorpe	STORAGE SITE	0
Deborah Storage (Bacton)	STORAGE SITE	0
Hatfield Moor Max Refill	STORAGE SITE	30.21
Hill Top Farm (Hole House Farm)	STORAGE SITE	0
Holford	STORAGE SITE	0
Hole House Max Refill	STORAGE SITE	119.58
Partington Max Refill	STORAGE SITE	2.41
Saltfleetby Storage (Theddlethorpe)	STORAGE SITE	0

Stublach (Cheshire)	STORAGE SITE	0
Glenmavis Max Refill	STORAGE SITE	1.62
Barton Stacey Max Refill (Humbly Grove)	STORAGE SITE	100.94
Avonmouth Max Refill	STORAGE SITE	2.3
Dynevor Max Refill	STORAGE SITE	2.61
Garton Max Refill (Aldbrough)	STORAGE SITE	211.01
Hornsea Max Refill	STORAGE SITE	22.43
Rough Max Refill	STORAGE SITE	160
Bacton (IUK)	INTERCONNECTOR	623.58
Bacton (BBL)	INTERCONNECTOR	0

Special Condition 5F, Part F: Determination of Incremental Obligated Entry Capacity volumes and the appropriate revenue drivers to apply

Table 4B: Licence Baseline Entry Capacity

NTS Entry Point	Type of Entry	Baseline capacity (in GWh/d)
Bacton (UKCS)	BEACH TERMINAL	485.6
Bacton (IP)	INTERCONNECTION POINT	1297.8
Barrow	BEACH TERMINAL	309.1
Easington	BEACH TERMINAL	1,062.0
St. Fergus	BEACH TERMINAL	1,670.7
Teesside	BEACH TERMINAL	476.0
Theddlethorpe	BEACH TERMINAL	610.7
Glenmavis	STORAGE SITE	99.0
Partington	STORAGE SITE	215.0
Avonmouth	STORAGE SITE	179.3
Isle of Grain	LNG IMPORTATION TERMINAL	218.0
Dynevor Arms	STORAGE SITE	49.0
Hornsea	STORAGE SITE	175.0
Hatfield Moor (storage)	STORAGE SITE	25.0
Hatfield Moor (onshore)	ONSHORE FIELD	0.3
Cheshire	STORAGE SITE	285.9
Hole House Farm	STORAGE SITE	131.6
Wytech Farm	ONSHORE FIELD	3.3
Burton Point	ONSHORE FIELD	73.5
Milford Haven	LNG IMPORTATION TERMINAL	0
<u>Murrow</u>	<u>BIOMETHANE PLANT</u>	<u>0</u>
Barton Stacey	STORAGE SITE	172.6
Garton	STORAGE SITE	420
Burton Agnes (Caythorpe)	STORAGE SITE	0
Winkfield	STORAGE SITE	0
Blyborough (Welton)	STORAGE SITE	0
Tatsfield	STORAGE SITE	0
Albury	STORAGE SITE	0
Palmers Wood	STORAGE SITE	0
Fleetwood	STORAGE SITE	0
Portland	STORAGE SITE	0
Canonbie	ONSHORE FIELD	0
Moffat	INTERCONNECTION POINT	0

