



Making a positive difference  
for energy consumers

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

Phone: 020 7901 3105

Email: [max.lambert@ofgem.gov.uk](mailto:max.lambert@ofgem.gov.uk)

Date: 12 June 2020

Dear Colleagues,

## **Statutory Consultation on the proposed addition of a new exit point to National Grid Gas Plc (NTS) Gas Transporter Licence**

Today, we<sup>1</sup> published a statutory consultation on proposing to modify Part F of Special Condition 5G (Determination on Incremental Obligated Exit Capacity volumes and the appropriate revenue drivers to apply and the creation of Zero Licence Baseline Capacity Exit Points) of National Grid Gas Plc (NTS) Gas Transporter Licence (the "licence").<sup>2</sup>

Part F of Special Condition 5G of the licence is concerned with Non-incremental Obligated Exit Capacity, and the modification proposes to add "Saltholme Power Station" as a new exit point to Table 8: Licence Baseline Exit Capacity in Part F of Special Condition 5G.

### **Proposed change to National Grid Gas Plc's Gas Transporter Licence**

On 21 April 2020, National Grid Gas Plc (NGG) requested to add Saltholme Power Station as a new exit point to the licence.<sup>3</sup>

---

<sup>1</sup> The terms "we", "us" and "our" and "the Authority" are used to refer to the Gas and Electricity Markets Authority.

<sup>2</sup> 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>.

<sup>3</sup> Saltholme Power Station is currently on the Zero Licence Baseline Exit Capacity Table, but as baseline capacity has been requested at this exit point, NGG has proposed the modification to add Saltholme Power Station to Table 8, Licence Baseline Exit Capacity in Part F of Special Condition 5G. In accordance with the licence, Saltholme Power Station shall be removed from the Zero Licence Baseline Exit Capacity Table when this amendment to the licence is made in accordance with Special Condition 5G.31(D)(b). <https://www.nationalgrid.com/uk/gas-transmission/uk/gas/document/130166/download>

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 baseline exit capacity available to NTS users.

On 21 April 2020, NGG requested the following addition to Table 8, Part F of Special Condition 5G of the licence:

Offtake Point	Type of Offtake	Enduring Flat Baseline (GWh)
Saltholme Power Station	Direct Connect (DC)	0

NGG is not requesting a revenue driver<sup>4</sup> for this exit point. We propose this exit point should be added to the licence to allow Saltholme Power Station to connect to the NTS. A revised version of Table 8 is listed in Appendix 1 of the statutory consultation notice. We welcome the views of stakeholders on the inclusion of this exit point.

### **Consultation**

Please send any views on the issues raised in this letter and the accompanying statutory consultation before or on 10 July 2020 to: [max.lambert@ofgem.gov.uk](mailto:max.lambert@ofgem.gov.uk) or alternatively to [Gas.TransmissionResponse@ofgem.gov.uk](mailto:Gas.TransmissionResponse@ofgem.gov.uk).

Any responses to the consultation will be published 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 your documentation to that effect and include the reasons for confidentiality.

If you have any questions regarding this letter or the statutory consultation, please contact Max Lambert by using the email address above or telephone 0207 901 3105.

Yours sincerely,

**David O'Neill**  
**Head of Gas Systems**

For and on behalf of the Gas and Electricity Markets Authority

---

<sup>4</sup> Where additional investment is anticipated, revenue drivers provide a means of calculating the applicable additional funding allowances, in accordance with Special Condition 5F and Special Condition 5G of NGG's gas transporter licence.