

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

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## **Modification of National Grid Gas plc's gas transporter licence to add new NTS exit and entry points and decision on the classification of those new points under Article 18(4) EU Gas Regulation.<sup>1</sup>**

We<sup>2</sup> have decided 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<sup>3</sup> as proposed in our statutory consultation published on 25 October 2018.<sup>4</sup> The changes, outlined below, will take effect from 07 February 2019.

### **Responses to our Statutory Consultation**

We received one response to our statutory consultation from NGG, which has been published on our website. NGG supported our proposed licence changes including the proposed licence text. We have not made any changes to the licence text we proposed in the statutory consultation.

### **The Modifications**

The modifications will add two new exit points and one new entry point to National Grid Gas plc's gas transporter licence. We are adding "Keadby 2 Power Station" and "Eggborough Power Station" to Table 8 in Part F of Special Condition 5G which concerns Non-incremental Obligated Exit Capacity. We are adding "Murrow" to Table 4B in Part F of Special Condition 5F which concerns Non-incremental Obligated Entry Capacity.

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<sup>1</sup> 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>

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

<sup>3</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>4</sup> <https://www.ofgem.gov.uk/publications-and-updates/statutory-consultation-proposed-addition-new-exit-and-entry-points-national-grid-gas-plc-s-gas-transporter-licence-and-associated-eu-relevant-points-consultation>

A modified Table 8 and modified Table 4B are contained in Appendix 1 of the statutory consultation letter.

### **Approval of Relevant Exit and Entry points**

Section 18(4) of the EU Gas Regulation requires us to decide following consultation with network users whether any new exit or entry points should be classified as a 'relevant point'.<sup>5</sup>

As proposed in our consultation, we have decided that "Keadby 2 Power Station", "Eggborough Power Station" and "Murrow" should not be classified as relevant points. NGG supported this decision in their consultation response. The reasons for this decision are detailed below.

The exit points "Keadby 2 Power Station" and "Eggborough Power Station" do not meet the minimum requirements of the definition of relevant points for transparency requirements set out in 3.2(1)(a) of Chapter 3 Annex 1 of the EU Gas Regulation. NGG has stated both points are each connected to single final customers. For these reasons, we have decided they are not relevant exit points.

The entry point "Murrow" does not meet the minimum requirements of the definition of relevant points for transparency requirements set out in 3.2(1)(a) of Chapter 3 Annex 1 of the EU Gas Regulation. NGG has stated that it is directly linked to the production facility of a single producer. For these reasons, we have decided it is not a relevant entry point.

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

Yours faithfully,

*David O'Neill*

**David O'Neill**

**Head of Gas Systems, Energy System Transition**

Signed on behalf of the Authority and authorised for that purpose

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<sup>5</sup> 'Relevant point' is defined in Paragraph 3.2 of Chapter 3 of Annex 1 to the EU Gas Regulation. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02009R0715-20150525&from=EN>