

Transmission Workgroup – National Gas Transmission Action

1st June 2023

0501: National Gas Transmission (PL) to provide an explanation of why it's Proposal regarding B 1.3.1 (which contemplates offtake without holding capacity) will not encompass J 3.10.1 and 3.10.2 which limits entitlement to offtake to the maximum rate of offtake.

As discussed in the May Transmission Workgroup, TPD Section B1.3.1 sets out the commercial consequences of a User either delivering gas to, or offtaking gas from, the Total System in excess of capacity held. In each of these cases (i.e. Entry Points – ASEP, LDZ DM Supply Points, LDZ CSEPs, NTS Exit Points/Inter-System Offtakes) it is flows above the 'Registered Capacity' which the Transporter is relieved of the *obligation* to accept onto / make available for offtake from, the Total System as set out in TPD Sections I3.7.1, J3.8.4(b), J3.9.3(b) and J3.10.5(b).

Registered Capacity in all these cases is contractually procured as a **daily** quantity. It is therefore inappropriate/unnecessary to create a linkage/cross-reference between:

- the commercial consequences of User flowing in excess of capacity (therefore assessed over the course of a complete **day**); and
- terms in TPD Sections J3.10.1 and J3.10.2 that set out rules governing the extent of User entitlements to flow at particular rates (i.e. **hourly**).

Therefore the cross references we are proposing in TPD Section B1.3.1 in the context of NTS Exit Points/Inter-System Offtakes is limited to J3.10.5(b) which we believe is logical, appropriate and consistent with linkage to the Registered Capacity (i.e. a daily volume) for LDZ DM Supply Points and LDZ CSEPs and the Capacity (i.e. a daily volume) held at ASEPs.

More broadly, the UNC terms in TPD Sections I3.7.1, J3.8.4(b), J3.9.3(b) and J3.10.5(b) set out that the Transporter is not '**obliged**' to allow accept volumes of gas into / make gas available for offtake from, the Total System in excess of Capacity. This does not prevent the Transporter from physically allowing such, it simply has no UNC *obligation* to do so.

In a similar vein, the terms of TPD Sections J3.10.1 and 3.10.2 reflect that the User not '**entitled**' to offtake gas at a rate in excess of the maximum permitted rate. Again, this does not prevent the Transporter from physically allowing such, there is simply no UNC *entitlement* for the User to do so.

Thus, both the 'obligation' and 'entitlement' wordings reflect (respectively) the legal status of

- Transporters allowing gas flows *in excess* of capacity; and
- User's ability to offtake gas at a rate *in excess* of the maximum permitted rate.

As set out above, delivering gas to, or offtaking gas from, the Total System in excess of capacity held (these being daily values) triggers the commercial consequences referred to in TPD Section B1.3.1.

As set out in the Questions and Answers document issued following the December 2022 Exit Constraints webinar, at present National Gas Transmission does not physically prevent flows other than in an Emergency situation.