

## Representation

### Draft Modification Report

#### 0454: Introduction of a Long Term Non Firm Capacity Product

**Consultation close out date:** 12 December 2013  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** National Grid NTS  
**Representative:** Sarah Lloyd  
**Date of Representation:** 12 December 2013

#### Do you support or oppose implementation?

As proposer, National Grid NTS supports the implementation of Modification 0454.

#### Please summarise (in one paragraph) the key reason(s) for your support/opposition.

National Grid NTS believes that the implementation of Modification 0454 would benefit the industry by providing for additional flexibility in the release of NTS Entry and Exit Capacity. This would help National Grid NTS in meeting our customers' expectation that we help to minimise/reduce uncertainty and delay where project timelines are not aligned. National Grid NTS have had feedback from a number of stakeholders asking that we consider the release of a product which could be utilised in those instances where an incremental capacity signal has been received and capacity allocated to the customer but where the firm capacity delivery date is beyond the customers' first potential gas flow date (including where the incremental capacity signal is to be met via substitution from another NTS Entry/Exit Point). This modification would allow NTS Users earlier access to Non Firm NTS Entry/Exit Capacity products prior to the release of the Quarterly NTS Entry Capacity/Enduring Annual NTS Exit (Flat) Capacity signalled by that User.

#### Are there any new or additional issues that you believe should be recorded in the Modification Report?

There are no additional issues that we believe should be recorded.

#### Relevant Objectives:

*How would implementation of this modification impact the relevant objectives?*

National Grid NTS agrees that the implementation of modification 0454 would better facilitate Relevant Objective (d) and that it also better facilitates the Relevant Connection Charging Methodology Objective (b).

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Whilst we recognise the concerns raised with regards to relative objective (g), it is National Grid NTS' understanding that the relevant EU requirement, for the price for interruptible capacity to adequately reflect the risk of interruptions, will apply at EU Interconnection Points only, whereas the Long Term Non Firm Capacity process has been designed to be used at all ASEPs and all NTS Exit points. If this principle is subsequently to be applied to points other than EU Interconnection Points then this is something we would be happy to look at again.

### **Impacts and Costs:**

*What analysis, development and ongoing costs would you face if this modification were implemented?*

The cost identified to ensure that existing system functionality can support the modification is £18,967. National Grid NTS would face 50% of these costs.

Were modification 0454 to be implemented National Grid NTS may face additional operational and process costs, however these additional costs are not anticipated to be material.

### **Implementation:**

*What lead-time would you wish to see prior to this modification being implemented, and why?*

Since this modification seeks to utilise existing processes, National Grid NTS believes that it can be implemented soon after an Authority decision is received. However, National Grid NTS will require a minimum lead time of 2 business days in order to set up and apply the processes required.

### **Legal Text:**

*Are you satisfied that the legal text and the proposed ACS (see [www.gasgovernance.co.uk/proposedACS](http://www.gasgovernance.co.uk/proposedACS)) will deliver the intent of the modification?*

National Grid NTS are satisfied that the legal text delivers the intent of the modification.

### **Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*

There are no further aspects that we wish to be taken into account.