

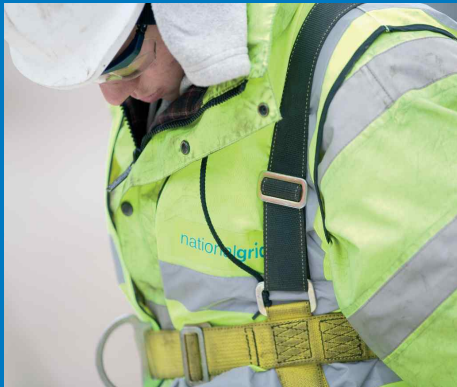
Pre Modification Discussion

Combined ASEP Modification

Pre-Mod Discussion Combined ASEP Mod

- Proposed Mod on treatment of capacity at combined ASEPs
 - Mod will consider introduction of different classifications of capacity at ASEPs to allow different charging treatments
 - e.g. “storage capacity”, “abandoned capacity”
- Mod contents dependent on National Grid proposals in **UNC Mod 0621: Amendments to Gas Transmission Charging Regime**
- Detailed Mod proposal to be presented to Transmission WG on **2 November** after publication of proposals in updated **UNC 0621**

European Update



1. General Update

Code Status Update

| Code | Current Status | Implementation date |
|--------------------|--|---|
| Tariffs (TAR) | Entered into Force 6 April 2017, Mods now being raised (e.g. UNC 0621 + combined ASEP Mod) | Applicable from 6 April 2017, 1 October 2017, 31 May 2019 |
| Transparency (TRA) | Entered into Force 6 April 2017 | Applicable from 01 October 2017, First publication end 2017 |
| CAM amendments | Entered into Force 6 April 2017 | Applicable from 6 April 2017 |

2. EU Code Updates

Tariff Code Update

ENTSOG 2nd TAR NC Implementation Workshop

- **Second External TAR NC Implementation Workshop on 5 October.**
 - Updated IDoc (Implementation Document) now finalised and will be available at workshop
 - IDoc and all materials shall be published on ENTSOG website
 - <https://www.entsog.eu/events/second-implementation-workshop-for-the-network-code-on-harmonised-transmission-tariff-structures-for-gas-tar-nc>

Future Topics

Future Topics

| Topic Area | Provisional Date |
|---------------------------|------------------|
| Tariffs Code | Monthly updates |
| Transparency requirements | Monthly updates |
| CAM Amendment | Monthly updates |

Modification 0627s – Removal of ROV Requirement

Project CLoCC

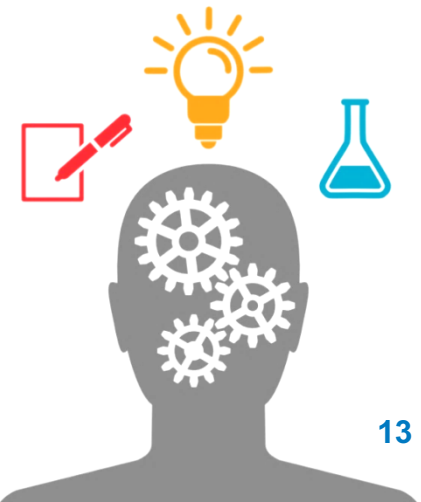
NETWORK INNOVATION COMPETITION PROJECT:

**CUSTOMER LOW COST CONNECTIONS
(CLOCC) – MOD 0627S DEVELOPMENT**



**Nicola Lond
Commercial Lead**

TWG October 2017



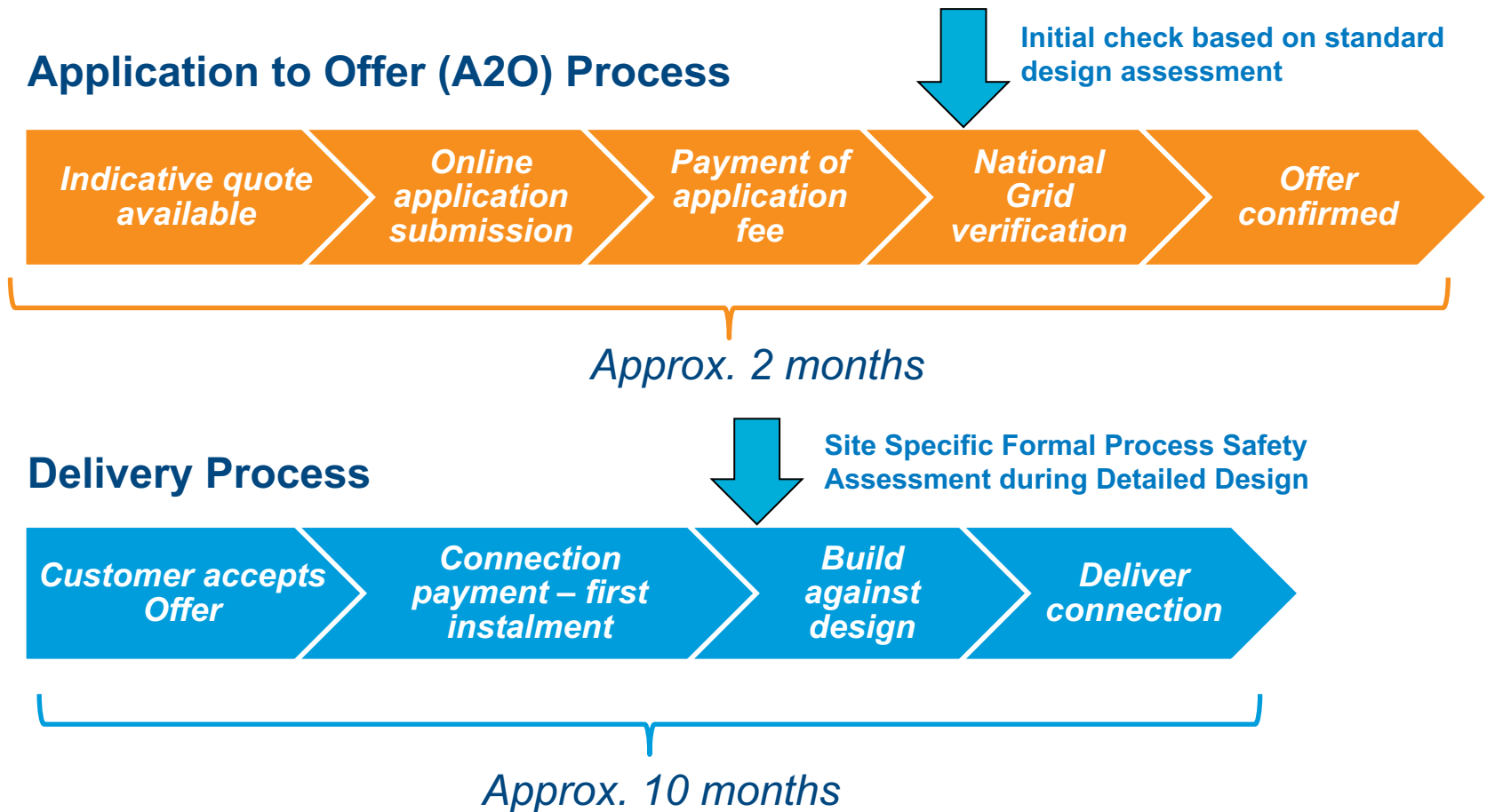
Mod 0627s - Removal of ROV Requirement

- Principles of Mod:
 - Remove the requirement for ROV at Exit Points
 - National Grid discretion on when an ROV at Exit Points is required
 - Formal Process Safety Assessment – Hazard (HAZOP) as per requirement of Safety Case
 - UNC proposed to change from ‘**will**’ have an ROV to ‘**may**’ have an ROV for New Exit Points
 - Entry and Bi-directional to remain with ROV requirement as currently

Industry Questions so far....

- Q: How is the requirement assessed?
 - A: An initial view will be taken during the verification phase for a Standard Design connection (which fits a standard CLoCC design) and the full formal safety assessment in form of a HAZOP will be part of the Design process, as is standard. The ROV assessment will be part of the HAZOP
- Q: What does your safety case say?
 - A: Safety case says we have to have an isolation valve in National Grids control and that we should carry out the HAZOP. GSMR states we should deal with any gas escape within 12 hours. The customer will have a full safety system on their site also to isolate themselves from NTS.
- Any other questions?

Standard design gas connections journey



Full delivery within 12 months to achieve CLoCC core objectives

- TPD Y 26 states:

Remotely Operable Valve (ROV) Installations

26. All new connections will include an ROV Installation which may be situated either:

- a) at a point on the NTS, where the customer wishes to:
 - i. construct and connect a pipeline with a view to owning and operating the pipeline (such pipeline would not be a System Extension as it would not be owned and operated by National Grid), or
 - ii. construct and connect a pipeline with the intention that it will transfer to National Grid under a Taking Ownership Agreement (in which case it would become a System Extension); or
- b) at the termination point of a System Extension constructed by National Grid.

The costs of the ROV Installation form a part of the connection charge irrespective of whether the connection is for Exit, Entry or Bidirectional purposes.

UNC

- The principle we wish to apply to TPD Y26 is already present in UNC TPD Y27, legal text in process of being developed
- TPD Y 27:
 - 27. However, where a connection is requested at or adjacent to an existing National Grid site, National Grid will at its sole discretion determine the most appropriate point and design of the connection taking into account potential costs of connection, future operational costs, security of supply and operational flexibility.

Mod Timetable – Next Steps/Planning

| ITEM | 0627s |
|---|---------------------------------|
| Initial consideration by Panel | 21 st September 2017 |
| Modification considered by Workgroup | 05 October / 02 November 2017 |
| Workgroup Report presented to Panel | 16 November 2017 |
| Draft Modification Report issued for consultation | 16 th November 2017 |
| Consultation Close-out for representations | 08 December 2017 |
| Final Modification Report available for Panel | 21 December 2017 |
| Modification Panel decision | 21 December 2017 |

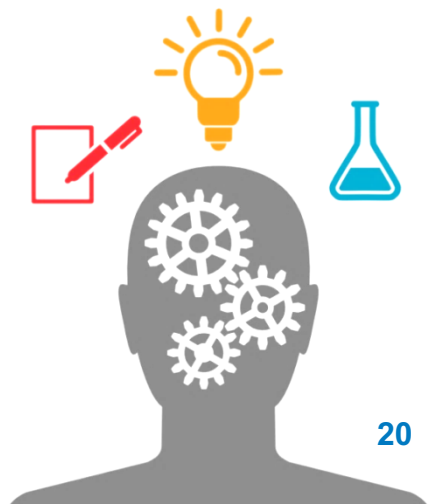
Project CLoCC

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AOB

EU Gas Quality Update

EU Gas Quality Update

- The CEN gas quality standard EN 16726 was approved in 2015 without inclusion of a Wobbe Index (WI) range
- CEN is continuing to work on finding an EU agreement for a WI range, including the possibility of regional ranges
- With that aim, CEN Sector Forum Gas working group is conducting a 'pre-normative' study and issued two surveys to member states
 - Legislative framework and technical parameters for gas quality in each member state
 - Actual gas quality transmitted and offtaken in EU networks

EU Gas Quality Update

- The EU Joint Research Council (JRC) has collected historic WI and CV data from market participants in member states that are involved in this study
- ENTSOG has coordinated the collection of historic data from TSOs
 - National Grid has provided anonymous data from a few points on the NTS to ENTSOG
- ENTSOG has analysed the data to discover the WI ranges and rates of change
- ENTSOG and JRC will present the results of their analysis at a joint workshop in Brussels on 28th September 2017
 - National Grid will provide feedback at the Workgroup meeting

National Grid Gas Quality Consultation

National Grid Gas Quality Consultation

- A number of recent UNC modifications have proposed changes to gas quality parameters at individual NTS entry points that are GS(M)R compliant but are outside the Gas Ten Year Statement specification
- Our preference is to be able to accommodate these individual requests at other entry points if demanded but this may not always be possible
- Applying a ‘first come first served’ approach could therefore result in other parties being disadvantaged in the future
- In the coming years, we also expect UKCS supplies to decline, GB import dependency to increase and sources of supply to diversify

National Grid Gas Quality Consultation

- We therefore propose to consult the industry on:
 - Whether the number of these types of request is likely to increase in the future
 - Whether the current change process for individual NEA limits is appropriate
 - For the longer term (RIIO-T2 timescales), we are also interested to explore any potential demand for gas quality services to be provided at NTS entry points by National Grid e.g. via gas processing / blending arrangements
- This consultation is scheduled to open on Monday 9th October and close on Friday 17th November 2017
- We will report on the results in Dec/Jan