

Pre Modification Discussion Treatment of Capacity at Combined ASEP's

Recap of issues and concerns raised

UNC 0621

- Proposals in Combined ASEP mod is highly dependent on draft proposals in UNC 0621.
- Key depending on revenue reconciliation charge.
 - Capacity top up or commodity.

Abandoned Capacity

- For different charging treatment to apply, charging has to be able to recognise “Abandoned” Capacity.
- If reconciliation is flow based how does it apply to abandoned capacity at IPs?

Proposed areas of focus

Storage (Entry)

- Pay full price for new entry storage capacity at ASEPs
 - Capacity retains full fungibility
- Introduce an ex-post adjustment if the capacity is flowed against. (i.e. flow against entry storage point)
 - The ex-post discount will be based on prevailing reserve price
- Trades will be assumed to be on the existing Capacity before new capacity
- Rule that assumes that the flow will be against the existing capacity first before flowing against the new capacity

Proposed areas of focus

Abandoned Capacity

- Introduce rules and criteria to identify abandoned capacity.
 - This may, depending on proposal in UNC 0621 focus on abandoned capacity at IPs.
- No capacity top up charge. (if one applied)
- Trades on “non-abandoned” before abandoned
- Flow against “non-abandoned” but if nomination is greater than “non-abandoned” holding can allocate against “Abandoned “ but any such portion will lose its abandoned status.

Proposed areas of focus

Abandoned Capacity

- Abandoned retains fungibility
 - Can trade/surrender capacity and offer for buyback

Next steps

- Requires clarity on Revenue recovery charge in UNC 0621
 - NG still proposing a commodity based charged but this is contentious
- Take the draft/proposal to workgroup
- Analysis around the materiality impact of potential options

European Update



5 October 2017

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

Tariff Code: Transparency Requirements

- Publication of IP reserve prices on ENTSOG Platform by December
 - Data to be sent from 2 November (testing phase)
 - Number of bugs have been identified, so ENTSOG Task Force delivering this has been extended to January 2018
 - New page on Platform goes live **2 December 2017**
- Publication of detailed charging and financial information on TSO website (Art 30) by end of year

Publication of Tariff Data (Transparency)

- We have currently created the template that will be published on the website (TAR NC Art 30)
 - It will have links to where the various data items are located on the website
- NG aims to publish template on new NG website on **02 November 2017** during the Beta test phase of the site
- The aim is to have as much information as possible by end of November
- The template will be constantly reviewed and updated

ENTSOG 2nd TAR NC Implementation Workshop

- **Second External TAR NC Implementation Workshop on 5 October.**
 - Updated IDoc (Implementation Document) now published
 - Includes updates based on stakeholder feedback from 1st workshop
 - IDoc and all materials now 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>

■ Published after 2nd Workshop

- Updated slides with notes (on the basis of the IDoc and speeches, only for ENTSOG's presentations)
 - Minutes with focus on Q&A
 - Short videos with the presentations (all the speakers)
- Internal discussions within ENTSOG as to possible 3rd Workshop (Autumn 2018)

TAR NC: Monitoring Reports

- **2 October 2017:** TSOs issued with questionnaires for Implementation Monitoring Report and Effect Monitoring Report
 - Responses required by **2 November** and **2 December 2017**
 - NG now finalising responses
 - ENTSOG to produce reports by **Q1 2018**
- **National Grid shall publish its submissions on its website**

UNC Mod 0621: Amendments to Gas Transmission Charging Regime

- Main Mod now raised (UNC 0621)
 - Holistic GB charging review incorporating EU requirements
 - <http://www.gasgovernance.co.uk/0621> .
- Timeline driven by EU Tariff Code - implemented by end of **May 2019**, prices impacted from **October 2019**.

UNC Mod 0621: Amendments to Gas Transmission Charging Regime

- **10 October 2017:** Publication of draft proposal
- **13 October 2017:** Proposals discussed at NTSCMF
- This is a draft proposal and some items may need ongoing consideration
- Further updates to be presented at future NTSCMFs
- <https://www.gasgovernance.co.uk/ntscmf>

Future Topics

Future Topics

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

Modification 0628S

Project CLoCC

Customer Low Cost Connections

NETWORK INNOVATION COMPETITION PROJECT:

**CUSTOMER LOW COST CONNECTIONS (CLoCC)
– MOD 0628S DEVELOPMENT**



**Nicola Lond
Commercial Lead**

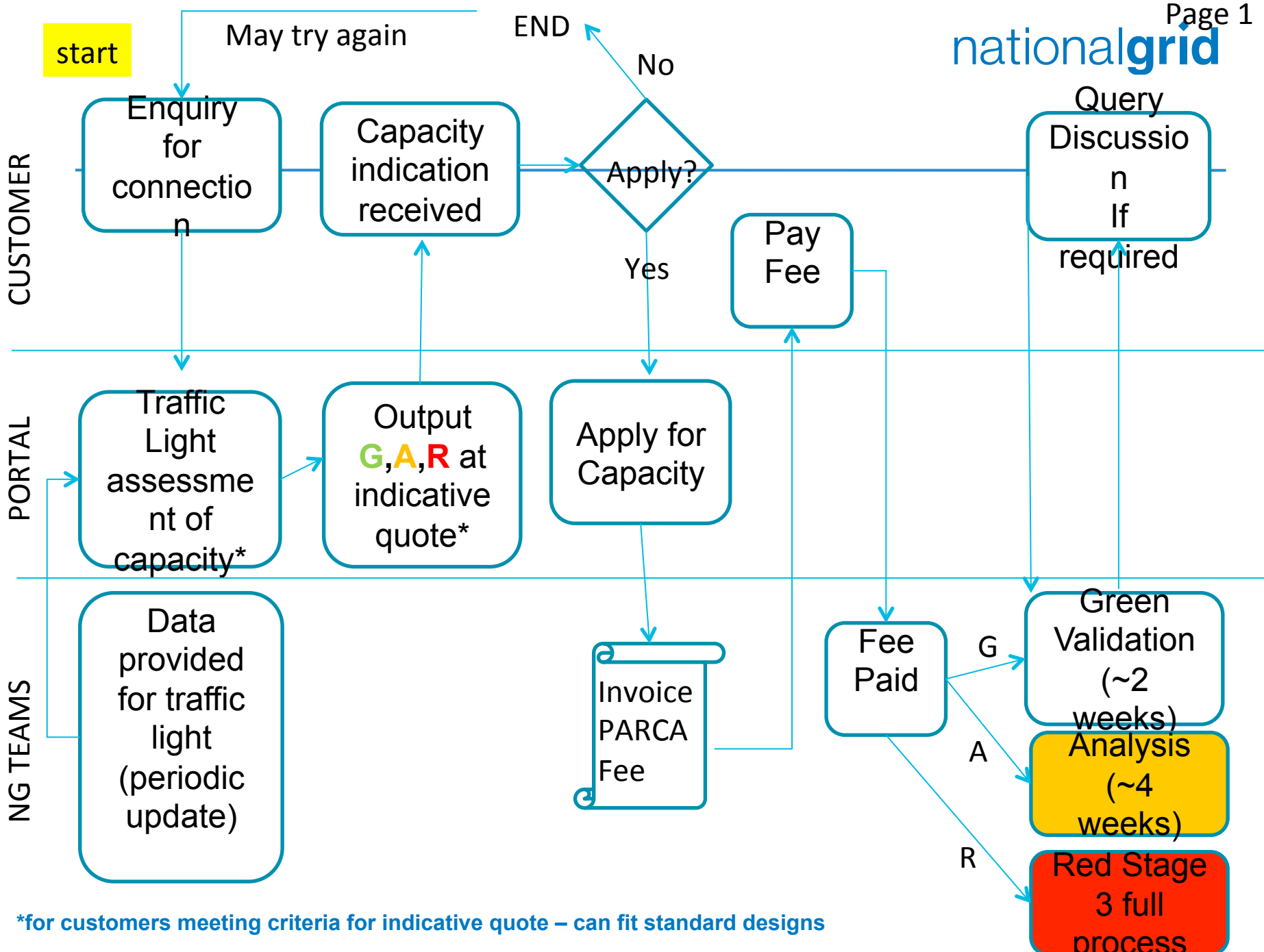
TWG November 2017



Mod 0628s – Standard Design Connections:

PARCA process

- Principles of Mod:
 - Accelerated route through the PARCA Phase 1 process for a capacity quantity consistent with a Standard Design and where National Grid has identified that capacity is currently available
 - For a standard design this would be via Connections online portal capacity indicator
 - A appropriate fee can be charged to reflect the reduced time required for an accelerated route

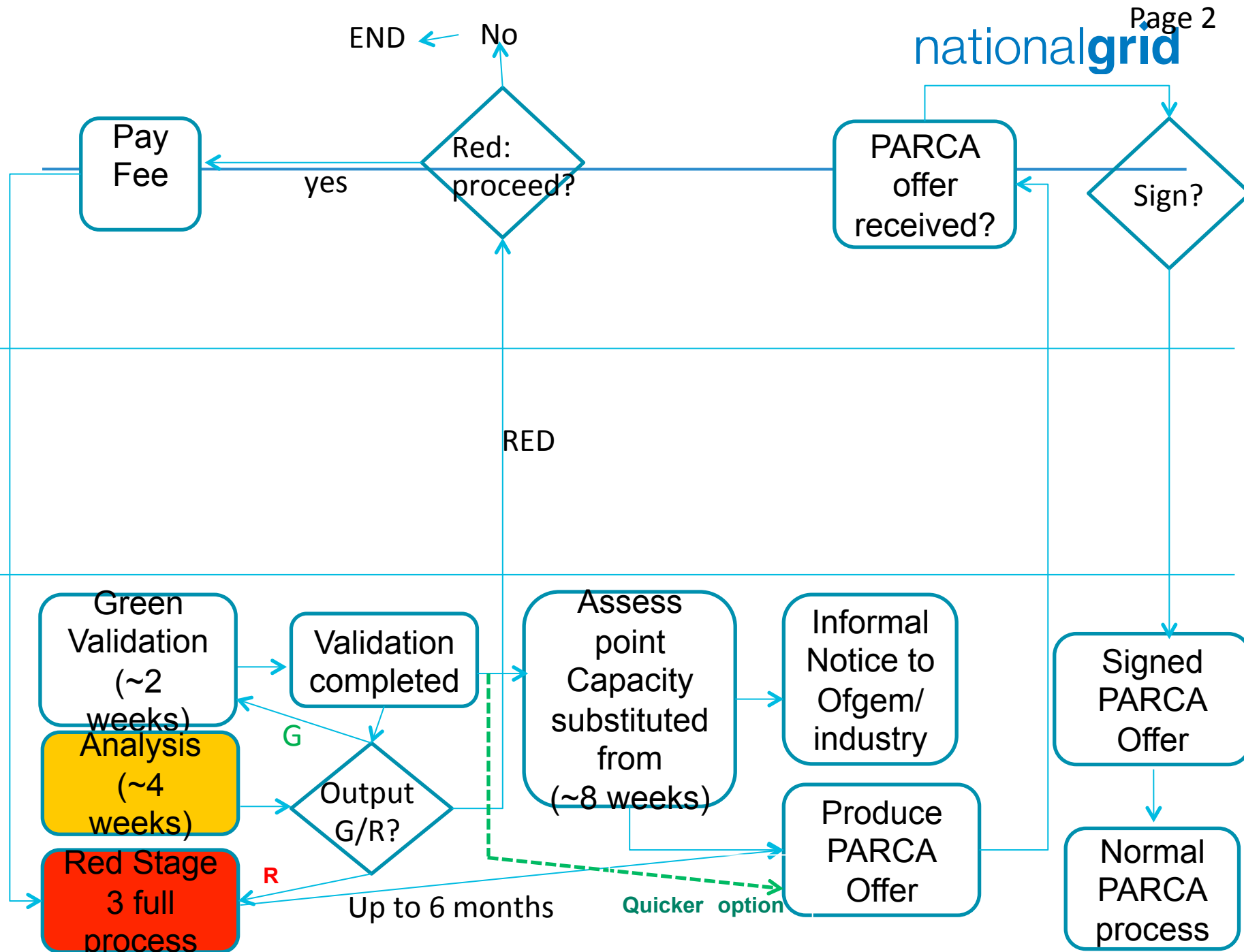


*for customers meeting criteria for indicative quote – can fit standard designs

CUSTOMER

PORTAL

NG TEAMS



Industry Questions so far....

- Q: Appropriate Fee?
 - A: We are currently undertaking an Activity Based Costing assessment for the PARCA accelerated route activity to determine what the revised fee would be. As network analysis resource is reduced this will be reflected. A proposal regarding fixed fee can be discussed

UNC – for review

- TPD B 1. 15 The PARCA Application Process
- TPD B 1. 16 The PARCA Window
- TPD B 1. 17 Phase 1 PARCA Works
- TPD Y Connection Changing Methodology – Section 5
Reservation of capacity through a PARCA
 - 45. Phase 1 PARCA Works

Mod Timetable – Next Steps/Planning

ITEM	0628s		
Initial consideration by Panel	2 November 2017		
Modification considered by Workgroup	November 2017 – May 2018		
Workgroup Report presented to Panel	17 May 2018		
Draft Modification Report issued for consultation	17 May 2018	WORKGROUP	Suggested Items for Discussion
Consultation Close-out for representations	8 June 2018	November	Initial Discussion – Process proposed
Final Modification Report available for Panel	11 June 2018	December	Process discussion
Modification Panel decision	21 June 2018	January	Fee discussion
		February	Business Rules
		March	Legal Text proposed
		April	Legal Text
		May	Workgroup Report Finalisation

Project CLoCC

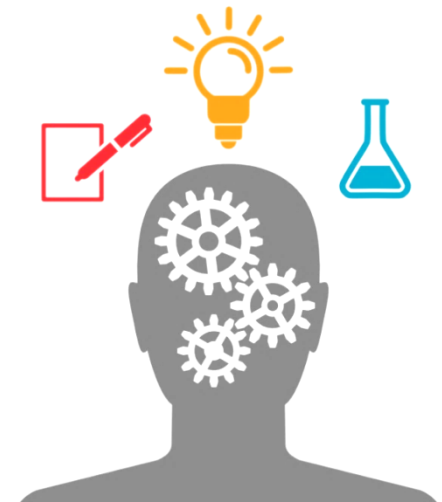
Customer Low Cost Connections

www.projectclocc.com

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Modification 0629S

Project CLoCC

Customer Low Cost Connections

NETWORK INNOVATION COMPETITION PROJECT:

**CUSTOMER LOW COST CONNECTIONS (CLOCC)
– MOD 0629S DEVELOPMENT**



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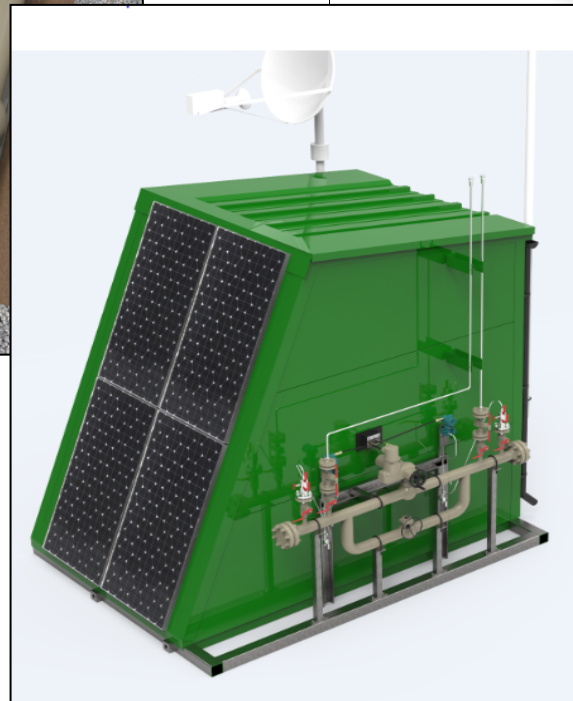
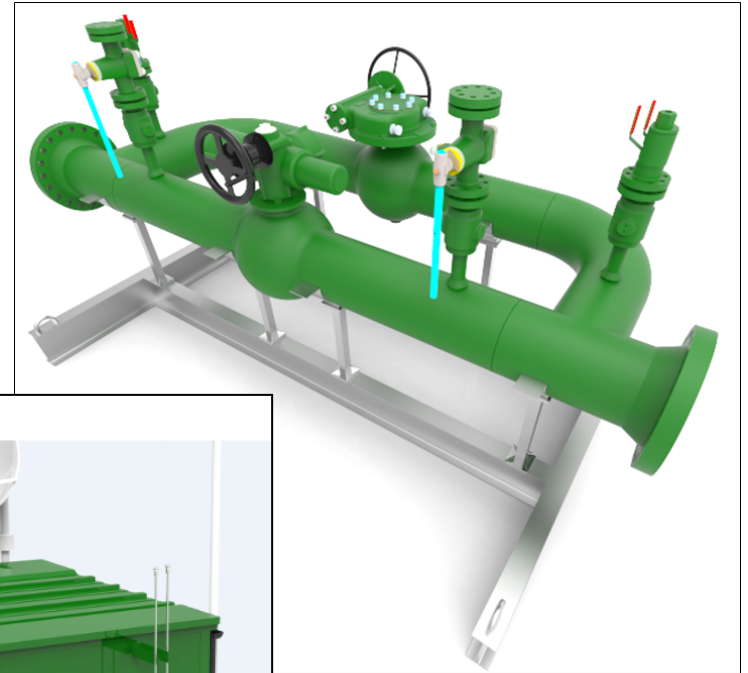
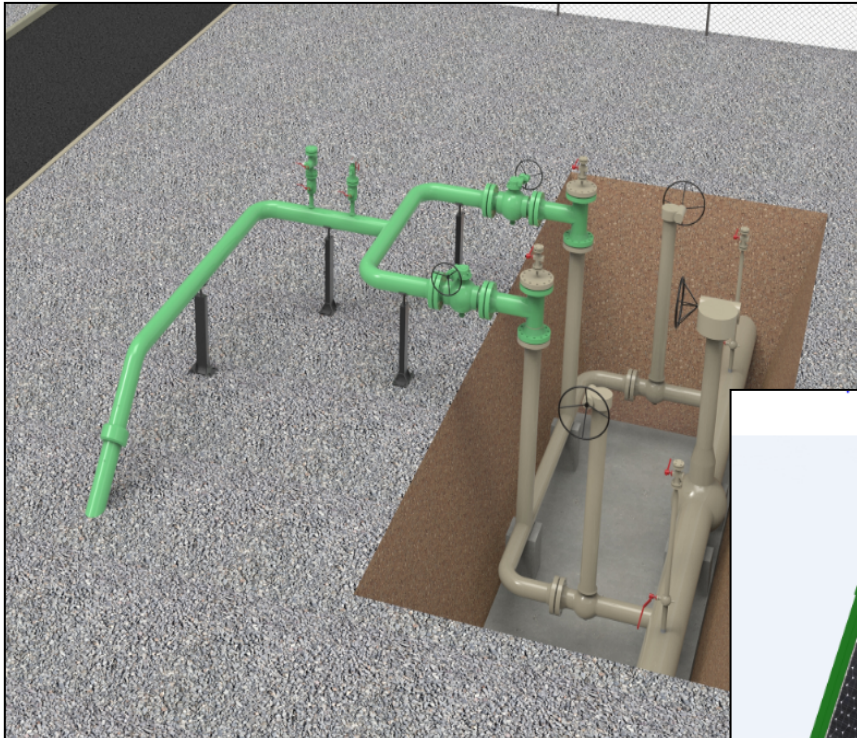
TWG November 2017



Mod 0629s – Standard Design Connections: A2O connection process

- Principles of Mod:
 - More efficient offer process for a Standard Design connection
 - Standard Designs are Pre-approved and Pre-appraised
 - Connection Online Portal provides automation of Conceptual Design Study (CDS) – engineering study for Full Connection offer (FCO)
 - A appropriate fee can be charged to reflect the reduced time required for a Standard Design Connection
 - Ability to offer Enhancements to Minimum Offtake Connection (MOC) for filtration and Metering

Example Designs – Scalable, Portable, Simplified

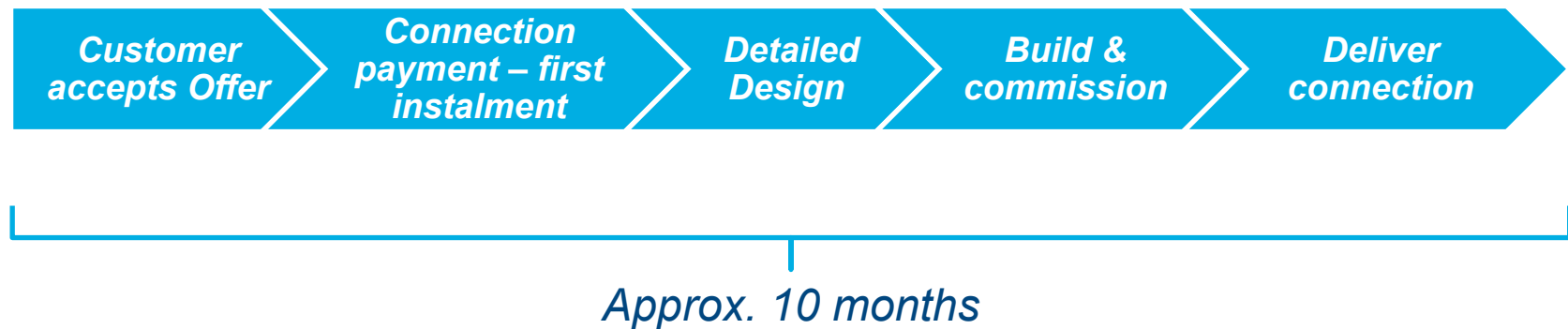


Standard design gas connections journey

Application to Offer (A2O) Process



Delivery Process



Full delivery within 12 months to achieve CLoCC core objectives

Industry Questions so far....

- Q: what is T/SP/G/19?
 - A: CLoCC is producing standard designs which will also get approved and appraised as “model design appraisals” in accordance with **T/PM/G/19 Management Procedure for Application of Model Design Appraisals**, which is a National Grid procedure. This process is already completed in advance for a standard design
 - For a site specific modification designs are subject to a design appraisal process in accordance with National Grid Management Procedure **T/PM/G/35 Procedure for the Management of New Works, Modifications and Repairs for National Transmission**. This policy will still be followed in Detailed design for site specific elements of design

UNC – For Review

- TPD V.13 – NTS Connections
- TPD Y Connection Charging Methodology – Section 2/3, Definitions
- TPD I 1.2.2 /J 1.4.4 - Entry/Exit requirement Customer Types
- TPD M – Metering

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Final Modification Report available for Panel	11 June 2018	December	Section V - process
Modification Panel decision	21 June 2018	January	Section Y - charging
		February	Business Rules proposed/ Enhancements
		March	Legal Text proposed
		April	Legal Text
		May	Workgroup Report Finalisation

Can use Webex for additional meetings to progress if appropriate/ required.

Project CLoCC

Customer Low Cost Connections

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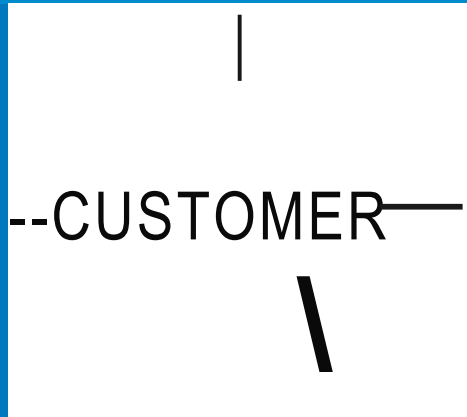
AOB

National Grid Gas Quality Consultation

National Grid Gas Quality Consultation

- National Grid has published a gas quality consultation via ENA and at <http://www2.nationalgrid.com/uk/industry-information/gas-transmission-system-operations/gas-quality/>
- Industry views are sought on:
 - Processes for agreeing gas quality limits at NTS entry points
 - Potential National Grid gas quality services
- The consultation is open until Friday 17 November 2017
- We will report on the results in January 2018
- For further information, please contact philip.hobbins@nationalgrid.com or by phone on 01926 653432

Nationalgrid.com upgrade project

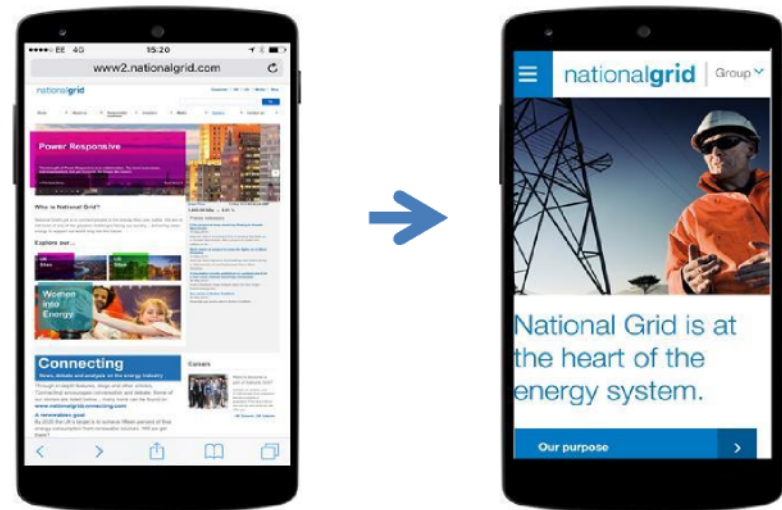


02 November 2017

The case for change is driven by customer feedback

- Both the industry and **customer expectations** are changing rapidly
- We have restructured our business around the **customer journey** to optimise delivery of customer value
- Our **website is a major customer interface** and needs to also improve to transform the customer experience

NG Now NG Near Future



We have identified three improvement themes through obtaining feedback from customer satisfaction surveys

i Speed and functionality ii Search and navigation iii Language and content

Can you pull up that information from the National Grid website please? I need this data urgently for a client on the phone.

Sorry it's still loading!!



14% of responders

Do you know where to find the SOF on the National Grid website?

Have you tried a Google search?



77% of responders

I hear we can earn additional revenue by selling National Grid services, but where do I go on this site!?

Maybe we can try the charging section?



9% of responders

Our guiding principles for redesign

- **Improving the navigation** is one of our main priorities
- The website will be structured around the **tasks** that customers want to complete
- Success will be based on how **quickly and easily** a customer can complete a task



Draft design output examples

OLD navigation NEW navigation

uul services

Electricity Transmission connections

Balancing services Property

Commercial Engineering Services

Metering

Gas transmission connections

Pipelines Maintenance Centre

Land & Business Support

BGAS

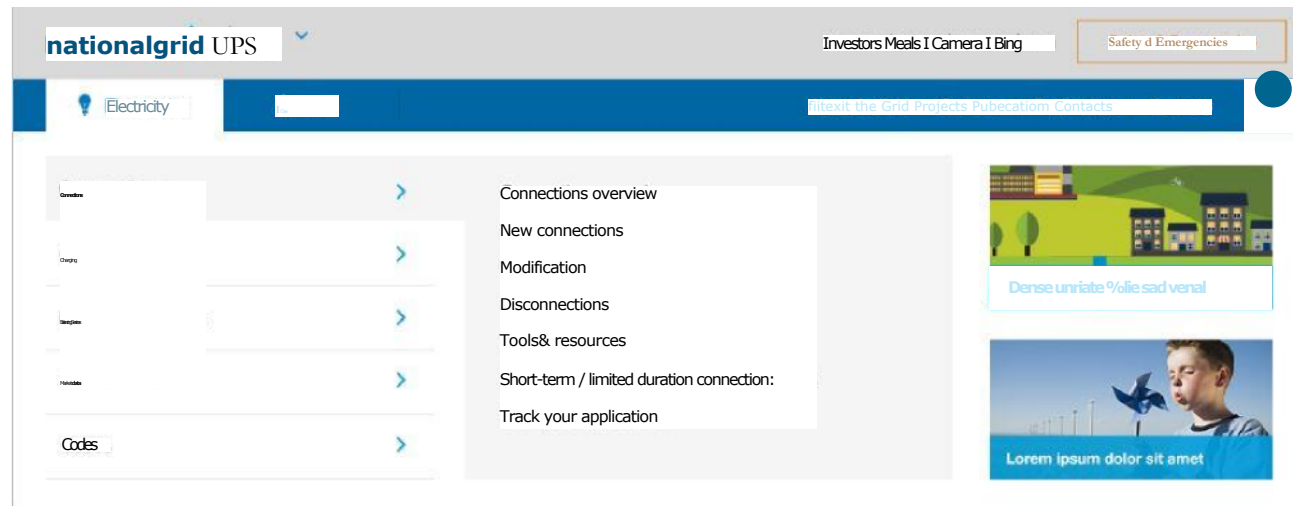
Electricity Authorisation Training

LNG Storage

Charging

Interconnectors

Grain LNG



1¹ The high level site has been designed with a cleaner look and feel

2² Navigation has been improved significantly through cleaner menus

Next steps

- The new website is in beta stage for customers to test
- The old website will still be available in parallel
 - We are seeking customer feedback on the new website during this Beta phase and we would appreciate your support
 - Phase 2 of the website project will look at: –
Refinements
 - Content design
 - Enhanced functionality