

Legal Text 0356

Amend paragraph 4.1.2(b)(ii) of TPD Section O to read:

- (ii) for each of years 0 to 4, of 1-in-20 peak day demand in accordance with paragraph 4.1.3;

Amend paragraph 2.5.1 of Appendix C to TPD Section Y Part A to read:

2.5.1 The Transport Model

Model Input Data

- (a) The Transport Model calculates the marginal costs of investment required in the National Transmission System as a consequence of an increase in demand for gas or supply of gas at each System Point or node on the National Transmission System. Such calculation is based upon analysis of peak conditions on the National Transmission System and the costs of investment which are expressed in £/GWhkm. Where there is an increase in demand for gas or supply of gas at a System Point the marginal changes in flow distances (measured in GWhkm) for a small energy injection to the system (measured in GWh) shall be estimated initially by reference to the increases or decreases in units of kilometres of the National Transmission System.
- (b) The Transport Model requires a set of inputs which are consistent with the costs incurred by National Grid NTS in making NTS Exit (Flat) Capacity available on the National Transmission System:
 - (i) Nodal supply and demand data (GWh)
 - (A) Demand data shall be derived in relation to each NTS Exit Point as the lesser of:
 - (1) the National Grid NTS forecast undiversified 1-in-20 peak day demand at the relevant NTS Exit Point, provided that:
 - (aa) for any NTS Connected Offtake System which is a Storage Facility or a pipeline interconnector and which has physical entry capability, demand at the relevant NTS Connected System Exit Point shall be deemed to be zero;
 - (bb) for NTS/LDZ Offtakes, the National Grid NTS forecast undiversified 1-in-20 peak day demand in the relevant LDZ shall be prorated between the relevant NTS/LDZ Offtakes on the basis of the amount of NTS Exit (Flat) Capacity registered at each of the relevant NTS/LDZ Offtakes;

For the purposes of this paragraph, “National Grid NTS forecast undiversified 1-in-20 peak day demand” means the 1-in-20 peak day demand for the National Transmission System that is derived from the summation of the forecast peak demands and load duration curves for each NTS Supply Point, NTS CSEP and NTS/LDZ Offtake; and

- (2) the aggregate of the Baseline NTS Exit (Flat) Capacity and incremental NTS Exit (Flat) Capacity in respect of the relevant NTS Exit Point,

provided that paragraph (2) above shall be ignored for the purposes of setting or determining any indicative NTS Exit (Flat) Capacity Charges;

- (2) Aggregate System Entry Point supplies
 - (ii) Transmission pipelines between each node (measured in km) and calculated by reference to:
 - (1) Existing pipelines
 - (2) New pipelines expected to be operational on or before the start of the Gas Year under analysis
 - (iii) Identification of a reference node

Model Inputs

- (c) The nodal supply data for the Transport Model shall be derived from the supply/demand data set out in the most recent Ten Year Statement for each Gas Year for which prices are being determined. The aggregate supply flows shall be adjusted to ensure that the values for supply and demand are equal. This adjustment shall be carried out by reducing supplies in the following order to the point at which supplies equal the forecast demand:
 - (i) short range Storage Facilities;
 - (ii) mid range Storage Facilities;
 - (iii) LNG Importation Facilities;
 - (iv) long range Storage Facilities;
 - (v) pipeline interconnectors; and
 - (vi) beach terminals.

The supply figures for Individual System Entry Points at Storage Facilities and/or pipeline interconnectors may be set at a level that is less than or equal to the expected entry point capability.

- (d) Nodal demand data for the Transport Model shall be derived from a range of different data sources as more particularly described in paragraph 2.5.1(b)(i).
- (e) National Transmission System network data for the charging year will be based on data taken from National Grid NTS's most recent Ten Year Statement.