

## **Modification Proposal 0397: “Amendments to Section I of the OAD to Reflect Offtake Profile Notice Rules and Recognition of Different NTS/LDZ Offtake Sensitivities”**

### **Determination of Designated Offtakes – A Note for Workgroup 0397 by National Grid NTS**

#### **Background**

1. Modification Proposal 0397 proposes new rules to govern the accuracy of Offtake Profile Notices (OPNs) that DNOs are required to adhere to. At present, pursuant to OAD section I3.1.2, DNOs are required to submit OPNs for each of their offtakes that are within a 10% tolerance of the prevailing offtake rate. Modification Proposal 0397 proposes to amend this rule by applying different OPN tolerances to offtakes depending on whether they are categorised as either ‘designated’ or ‘non-designated’.
2. Designated offtakes would represent those offtakes which are of particular operational significance to National Grid NTS and therefore where the accurate provision of information is particularly important to NTS system operation. Non-designated offtakes represent those which are of less significance and therefore where accurate information provision is of less importance to maintaining the safe and efficient operation of the NTS. Nevertheless, National Grid NTS would expect DNOs to use all reasonable endeavours to provide accurate information in respect of non-designated offtakes.
3. Modification Proposal 0397 proposes that non-designated offtakes should be subject to an OPN tolerance of 1 mcmd, whilst tolerances for designated offtakes would be set on an individual offtake basis following discussion between National Grid NTS and the relevant DNO, with an expectation that such tolerances would be tighter than 1 mcmd.
4. The Modification Proposal contemplates either National Grid NTS or the relevant DNO having the right to request a change of categorisation in respect of any offtake at any time. However, it would seem reasonable to assume that any requests for a change in categorisation from ‘non-designated’ to ‘designated’ would only ever arise from National Grid NTS. National Grid NTS expects that the numbers of designated offtakes will vary between DNs and so too will the OPN tolerances in respect of those offtakes. Given that Modification 0397 proposes that National Grid NTS will ultimately have discretion to impose such changes on a DN if agreement on designation or tolerance cannot be reached, National Grid NTS considers that it is important to set out the basis on which it would exercise that discretion.
5. The purpose of this note is therefore to inform Workgroup 0397 of the circumstances in which National Grid NTS would be likely to require an offtake to be ‘designated’, as well as the factors that it would normally take into account when considering an appropriate tolerance. It is also intended to serve as a reference point for future discussions between Transporters regarding re-designation of offtakes, should Modification Proposal 0397 be implemented.
6. Based on the recommendation of Workgroup 0397, this is an informal document and does not and is not intended to be produced or subsequently revised pursuant to any Licence or UNC obligation.

#### **Principles for Designated Offtakes**

7. National Grid NTS will require an offtake to be classed as ‘designated’ where, in its reasonable opinion, the provision of accurate information from the DNO in its OPNs is necessary to enable National Grid NTS meet its obligations, notably in respect of maintaining appropriate levels of linepack and offtake pressures at that offtake point and in the surrounding area of the network.

8. Designated offtakes will typically be selected by National Grid NTS at locations where:
  - a. offtakes are located at the extremities of the network where National Grid NTS' options for safely and efficiently managing unforeseen flow variations is limited; and/or
  - b. unforeseen flow variations have the potential to create changes to the magnitude and / or direction of flow in other areas of the NTS which in turn may affect the ability of National Grid NTS to meet its obligations at other locations; and/or
  - c. unforeseen flow variations have the potential to affect National Grid NTS' ability to react to changes in supply / demand patterns, principally by controlling compression facilities.

#### **Principles for Tolerance Determination**

9. Once National Grid NTS has determined that an offtake is required to be categorised as 'designated', it will approach the relevant DNO to discuss an appropriate OPN tolerance for that offtake. The factors that National Grid NTS may take account of in determining its view of an appropriate tolerance shall include but may not be limited to:
  - a. Impact on the NTS;
  - b. Historic and maximum flows through the offtake;
  - c. Whether the offtake is pressure controlled or volume controlled; and
  - d. Any relevant operational characteristics of the offtake.

#### **Review of Designated / Non-Designated Offtakes**

10. National Grid NTS will periodically review the categorisation of offtakes, both in the light of operational experience and based on its planning processes which model scenarios of future change in network topology. In the event that National Grid NTS concludes that an offtake should be categorised as 'designated', it shall contact the relevant DNO and seek to discuss in good faith both the reasons for its decision and for its proposed tolerance.