

UNC Modification Proposal 0373
Governance of NTS Connection Processes
Draft Legal Text

Section V

Insert the following as a new paragraph 13:

"13. NTS Connections

13.1. Connection Applications

13.1.1 If a User or any other person (the "**Connection Applicant**") wishes to request:

- (a) a connection to the NTS at a new (as yet unbuilt) NTS System Point; or
- (b) the modification of an existing NTS System Point;

then the Connection Applicant shall complete and submit to National Grid NTS an application (in the form prescribed by National Grid from time to time) (the "**Connection Application**") and comply with the terms thereof. In addition, and at the same time, the Connection Applicant shall pay the relevant fee (the "**Connection Application Fee**").

13.1.2 A Connection Application shall be a "**Competent Connection Application**" where:

- (a) the application form has been correctly and fully completed;
- (b) the requested technical data has been fully provided;
- (c) National Grid NTS considers that no further information or data is required in order for National Grid NTS to consider or progress the Connection Application; and
- (d) the relevant Connection Application Fee has been paid in full and is available to National Grid NTS in cleared funds.

13.1.3 National Grid NTS shall, as soon as reasonably practicable and in any case no more than five (5) Business Days from the date of receipt of the Connection Application:

- (a) acknowledge receipt of the Connection Application and confirm that it is a Competent Connection Application; or
- (b) advise the Connection Applicant that the offer is not a Competent Connection Application and specify the reasons that the Connection Application is not a Competent Connection Application.

13.1.4 Where a submitted Connection Application is not a Competent Connection Application, the Connection Applicant may resubmit, amend or supplement the Connection Application and the provisions of paragraph 13.1.3 shall apply in relation to such resubmitted, amended or supplemented Connection Application.

13.1.5 The Connection Applicant may withdraw, by written notification to National Grid NTS, a Connection Application at any time before a Connection Offer is made. Where the Connection Application Fee was a Fixed Connection Application Fee, no refund of the Application Fee shall be made to the Connection Applicant. Where the Connection Application Fee was a Variable Connection Application Fee, the Connection Application Fee shall be refunded to the

Connection Applicant less a deduction for actual costs (including reasonable overheads) reasonably incurred by National Grid NTS in progressing the Connection Application up to the date of withdrawal.

13.2 Connection Application Fees

The Connection Application Fee shall either be a Fixed Connection Application Fee or a Variable Connection Application Fee. The Connection Applicant shall specify (at its discretion) in its Connection Application which type of Connection Application Fee it wishes to pay. For the purposes of the Code:

13.2.1 a “**Fixed Connection Application Fee**” shall be a fixed, full and final amount that shall not subject to any adjustment by National Grid NTS once paid by the Connection Applicant (nor shall the Connection Applicant be entitled to any refund of part of the Connection Fee). National Grid NTS shall establish, publish and review on an annual basis the types of NTS Connections and the Fixed Application Fees payable by the Applicant for each Offer type.

13.2.2a “**Variable Connection Application Fee**” shall be an amount equal to the Fixed Connection Application Fee, provided that following the issue of the relevant Connection Offer or the withdrawal of the Connection Application by the Connection Applicant, National Grid NTS shall calculate the total reasonable costs (including a reasonable overhead) incurred by National Grid NTS in progressing the Connection Application, undertaking all necessary design and engineering studies, preparing the Construction Agreement, and preparing and issuing the Connection Offer. Where these costs are less than the initial amount paid by the Connection Applicant, National Grid NTS shall refund such difference to the Connection Applicant. Where these costs are greater than the initial amount paid by the Connection Applicant, National Grid NTS shall invoice the Connection Applicant for the difference which invoice shall be due for payment within ten (10) days of the date thereof.

13.3 Content of Connection Offers

13.3.1 A Connection Offer shall comprise, as a minimum:

- (a) a copy of any relevant design or engineering study report, as required by National Grid NTS to make the Connection Offer and paid for by the Applicant as part of the Application Fee;
- (b) a construction agreement (“**Construction Agreement**”), capable of being signed by the Connection Applicant which would be a binding agreement between National Grid NTS and the Connection Applicant for the relevant works to be undertaken;
- (c) an indicative programme of the proposed construction works, including as a minimum:
 - (i) the anticipated connection completion date (being the date that the physical connection will be made, following successful testing and commissioning), with details as to how this date is contingent on any relevant planning or other consents being obtained;
 - (ii) details of the location of connection, including Ordnance Survey map with grid references and a site layout drawing (except to the extent that National Grid NTS reasonably considers that the provision of such information may be prejudicial to any planning application National Grid NTS may have to submit in relation to such pipeline);

- (iii) an indicative project plan containing:
 - (A) an indicative milestone date when National Grid NTS would expect to apply to the Authority to include or revise a revenue driver in its gas transporter's licence (where applicable);
 - (B) an indicative earliest milestone date at which System Capacity could be applied for by a User in order for the Applicant to align its capacity needs with the indicative connection completion date; and
 - (C) an indicative milestone date by when the relevant Network Exit Agreement, Network Entry Agreement or Storage Connection Agreement has to be signed (where applicable).

For the avoidance of doubt, the indicative project plan is intended to be used as guidance only to assist the Connection Applicant with general project planning and in no way does it oblige National Grid NTS to make System Capacity available at the NTS System Point.

- (iv) an indication of the physical works to deliver the requested connection or modification (excluding works required to reinforce or extend the existing NTS to provide any additional System Capacity), including:
 - (A) an indicative programme of such physical works;
 - (B) an indicative timeline and key milestone dates;
 - (C) details of payment milestones;
 - (D) any credit requirements; and
 - (E) indicative dates for purchase of long-lead items.
 - (v) any planning and other consents milestone dates;
 - (vi) an indication of the potential size and route corridor of any connecting pipeline being constructed by National Grid NTS (except to the extent that National Grid NTS reasonably considers that the provision of such information may be prejudicial to any planning application National Grid NTS may have to submit in relation to such pipeline); and
 - (vii) an indicative draft of any relevant Network Exit Agreement, Network Entry Agreement or Storage Connection Agreement (or amendment thereto) that has to be signed in relation to the relevant NTS System Point;
- (d) the Connection Offer shall contain an estimate of the construction works costs to be paid by the Connection Applicant pursuant to the Construction Agreement, if the Connection Offer is accepted;

13.4 Connection Offers

13.4.1 National Grid NTS shall issue a Connection Offer to the Connection Applicant as soon as reasonably practicable and in any event within:

- (a) three (3) months, where the NTS System Point (or proposed new NTS System Point) is a minimum connection to the NTS at a new (as yet unbuilt) NTS System Point; or

- (b) six (6) months in all other cases;

(or such longer time as the Authority may agree, or deemed to have agreed, pursuant to paragraph 13.4.2) of the date on which National Grid NTS has confirmed to the Connection Applicant that the Connection Application is a Competent Connection Application (the “**Connection Offer Deadline**”).

13.4.2 Where National Grid NTS reasonably believes that it will be unable to issue a Connection Offer to the Connection Applicant by the Connection Offer Deadline, National Grid NTS may apply to the Authority for an extension to the Connection Offer Deadline. Where National Grid NTS makes such an application, the Connection Offer Deadline shall (irrespective of the outcome of the application) be extended by an amount of time equal to the time between National Grid NTS’ application being submitted to the Authority and the Authority making (or being deemed to have made) a decision on that application. Where:

- (a) the Authority has not decided upon National Grid NTS’ application within thirty (30) days of it having been submitted, the Authority shall (for the purposes of the Code) be deemed to have agreed to National Grid NTS’ application and the Connection Offer Deadline shall be extended as set out in that application (together with an extension to reflect the time between National Grid NTS’ application being submitted and the date of the Authority’s decision, as set out above);
- (b) the Authority approves National Grid NTS’ application within thirty (30) days of it have being submitted, the Connection Offer Deadline shall be extended as set out in that application (together with an extension to reflect the time between National Grid NTS’ application being submitted and the date of the Authority’s decision, as set out above); and
- (c) the Authority rejects National Grid NTS’ application within thirty (30) days of it have being submitted, the Connection Offer Deadline shall only be extended to reflect the time between National Grid NTS’ application being submitted and the date of the Authority’s decision, as set out above.

13.4.3 To accept a Connection Offer, the Connection Applicant must sign and return the Construction Agreement, which will then be countersigned by National Grid NTS and a copy returned to the Applicant.

13.4.4 A Connection Offer will be open for acceptance by the Connection Applicant for a period of three (3) months from the date of the Connection Offer. Failure by the Connection Applicant to accept the Connection Offer within such three (3) month period will cause the Connection Offer to lapse and any subsequent purported acceptance of the Connection Offer by the Connection Applicant may be treated as null and void by National Grid NTS.

13.4.5 If the Connection Applicant is unwilling to accept the terms of the Connection Offer, and National Grid NTS and the Connection Applicant are unable to reach agreement on revised terms to apply to the Connection Offer before the three (3) month acceptance period set out in paragraph 13.4.4 has expired, then the matter may be referred by the Connection Applicant by written request to the Authority (with a copy to National Grid NTS for the Authority’s determination (pursuant to the Gas and Electricity (Dispute Resolution) Regulations 2009). Any reference to the Authority pursuant to this paragraph 13.4.5 must be made by the Connection Applicant before the three (3) month acceptance period set out in paragraph 13.4.4 has expired, in which event the Connection Offer shall remain open for acceptance until the date falling fourteen (14) days after any final determination by the Authority pursuant to such request.

13.4.6 Where National Grid NTS reasonably determines that it has to first undertake a feasibility study in order to be able to provide a Connection Offer to the Connection Applicant, National Grid NTS shall notify the Connection Applicant accordingly following receipt of the Connection Application. In the case of such a notification, the timescales set out in 13.4.1 shall not apply in relation to the Connection Application. National Grid NTS shall, subject to the Connection Applicant accepting the terms proposed by National Grid NTS in relation to the feasibility study, undertake the feasibility study and a copy of the feasibility study report shall be provided to the Applicant as soon as reasonably practicable following completion of the feasibility study and in any event no later than three (3) months after the date of notification of acceptance of the feasibility study terms by the Connection Applicant. No later than three (3) months after receipt of the feasibility study report, the Applicant may notify National Grid NTS that it wishes National Grid NTS to provide a Connection Offer based on the feasibility study report (in which case the timescales set out in 13.4.1 shall apply in relation to the Connection Application as from the date of notification by the Connection Application pursuant to this paragraph). If, by the date falling three (3) months after receipt of the feasibility study report, the Connection Applicant has not notified National Grid NTS that it wishes National Grid NTS to provide a Connection Offer based on the feasibility study report, then the Connection Applicant shall be deemed to have withdrawn the Connection Application.

13.5 Modification of a Connection Offer

13.5.1 Where, after a Connection Offer has been made and accepted, the Connection Applicant wishes to request an amendment to the whole or part of the Connection Offer, a Connection Offer Modification Application (in the form prescribed by National Grid NTS) must be submitted by the Connection Applicant to National Grid NTS.

13.5.2 A Connection Offer Modification Application shall be deemed to be a Connection Application and the provisions of this paragraph 13 shall apply accordingly; provided that the Connection Application Fee in relation to a Connection Offer Modification Application shall be either:

- (a) an amount as may be mutually agreed by the Applicant and National Grid NTS; or
- (b) in the absence of such agreement, 75% of the Connection Offer Application Fee paid which was paid by the Applicant for the relevant Connection Offer.

13.6 Information Publication Requirements

13.6.1 For the purposes of the Connections Offer process, National Grid NTS shall publish the following information on its public website:

- (a) a draft standard form of Construction Agreement for different connection types;
- (b) a draft generic Advance Reservation of Capacity Agreement, Network Exit Agreement, Network Entry Agreement and Storage Connection Agreement;
- (c) generic technical specifications associated with the Connection Offer processes which are not site-specific.; and
- (d) a generic Connection Offer template.

13.6.2 National Grid NTS shall publish the following information on a quarterly basis:

- (a) the number of Competent Connection Applications for Connection Offers received in the previous quarter and the cumulative total for the calendar year in question; and

- (b) the cumulative total for the calendar year in question of Connection Offers made in accordance with the timescales set out in paragraph 13.4.1.

13.7 User Requested Pre-Connection Application Studies

13.7.1 Where a potential Connection Applicant wishes to explore options for connecting to the NTS, a 'pre-application study' may be requested. Such a pre-application study request shall not, for the avoidance of doubt, be a Connection Application for the purposes of the Code. Following receipt of such a request, National Grid NTS shall seek to agree the terms on which it will undertake any such study with the person submitting the request.

13.7.2 If such a pre-application study is undertaken by National Grid NTS pursuant to such a request and produces data or information which can be re-used for the purposes of a subsequent Connection Offer to the potential Connection Applicant, then the Application Fee and timescales for such a subsequent Connection Offer may, at National Grid NTS' discretion, be reduced accordingly."