

NTS Connections Process – Draft Rules
Version 1.0

1. Application Process:

- 1.1 All potential NTS connectees ~~should endeavour to hold~~ ~~must have held~~ at least 1 formal meeting with NG NTS to discuss their proposed connection, no sooner than [6] months before submitting a formal application.
- 1.2 All requests for connections (whether new or modifications to existing) must be submitted on a formal application form, published and easily accessible on National Grid's website.
- 1.3 The Application form must specify the scope and content of information reasonably required by National Grid in order to assist in making a connection offer [need to specify exactly what information?].
- 1.4 Submission by the ApplicantUser and subsequent acceptance of the application form shall constitute formal admission into the NTS Connection Offer process. A record of receipt must be issued by NG NTS within 1 working day. Reasons for non-acceptance by NG will need to be articulated.
- 1.5 Each application form shall be date stamped and dealt with in order of receipt.
- 1.6 The Applicant User shall specify at the point of application what type of connection is being requested. Within 3 working days of receipt, NG NTS shall inform the ApplicantUser of the category of Connection Offer that the application falls into.
- 1.7 Within 5 working days of receipt, NG NTS shall inform the User of any additional information (beyond that specified on the application form) that is reasonably required in order to make a connection offer. The reason for requesting the data must be specified by NG and the request may reasonably be refused by the ApplicantUser. (Comment – this may push NG to issuing a very detailed set of requirements in the Application Form. How would we test “reasonableness”?)
- 1.8 If the ApplicantUser wishes to examine a number of options in detail, a separate application must be submitted for each one. (Comment – would this also apply to minor variations?)

2. Connection Offers

- 2.1 The Connection Offer shall replace the current “Design and Build Agreement” (*Conceptual Design Study and a Construction Agreement in a single agreement*).

- 2.2 All Connection Offers shall be made by NG NTS within 3 months [from the date of receipt of the application](#) unless the connection request is not for a minimum connection.
- 2.3 Where the connection request is not for a minimum connection an additional 3 months may be added to the period in which a connection offer shall be made by NG NTS (Total = 6 months).
- 2.4 Particularly complex connections requests can be extended by a further 3 months (Total =9 months), but this additional extension can only be requested from and not vetoed by, Ofgem. [\(Comment – will Ofgem be able/ qualified to judge on questions of complexity? May have to set out some ground rules around this.\)](#)
- 2.5 The Offer must be accepted by the User within 3 months from the date of Offer. Failure to accept within 3 months will cause the offer to lapse.
- 2.6 Acceptance of the Offer will trigger the commencement of the construction stage. The Offer will form the basis for the construction tender documents. [Would we also want to trigger inclusion of a anew exit point in NG’s licence for new connections and a requirement on NG to open discussions on acquisition of exit capacity if this has not already commenced?](#)

3. Costs

- 3.1 All minimum connection applications must be paid for at the point of application and attract a fixed application fee of £30,000. This is intended to cover the cost of any design studies and preparation of the construction agreement required in order to provide the connection offer.
- 3.2 All offers not falling into the definition of a minimum connection may be subject to additional charges, in accordance with [methodology to be determined] and paid in advance.

4. Penalties

- 4.1 Failure by NG NTS to provide the offer within [permitted timescales \(3, 6 or 9 months as the case may be\)](#)~~3 months~~ shall relieve the applicant of all cost liabilities associated with the connection application. Any monies paid in advance shall be [immediately](#) refunded to the relevant User. [For the avoidance of doubt, NG shall retain a reasonable endeavours obligation to provide the Applicant with an Offer as soon as possible.](#)
- 4.2 If the applicant wishes to vary the nature or scope of the original connection request, this shall result in additional charges to the User [level to be defined]. If the changes

requested are significant [test to be defined], NG reserves the right to re-start the process and re-set the associated timescales.

5. Content of Offer

5.1 The offer shall include all design studies required by NG NTS in order to make an offer

5.2 The offer shall include all site specific information which varies from the Standard Conditions of Contract.

5.3 The offer shall provide an estimate of the construction stage costs attributable to the applicant User in respect of the connection offer, if the offer is accepted.

5.4 NG NTS shall provide to the applicant User a Connection Offer which shall contain as a minimum (*NB - list is non-exhaustive*):

- **Connection Date** - First gas date.
- **Location of Connection** – Including OS grid reference & map.
- **Project Plan** – including:
 - **Commercial processes** – revenue drive timescales, process for getting exit and/or entry point into licence, exit /entry capacity applications, when NExA / NEA / SCA has to be signed.
 - **Physical Works**: Programme of work, Construction Agreement, timeline for the works and key dates, payment milestones, credit requirements, purchase of long lead items.
- **Technical Parameters** – e.g. Pressure (ANOP), Ramp Rates, Notice Periods, Temperature, Pipe specifications, Gas Quality parameters.
- **Route corridor of pipeline** with drawings (if applicable).
- **Draft ARCA** (if applicable).
- **Indicative Exit / Entry charges** applicable at first gas day (if available).

6. Information Publication

6.1 NG NTS shall as a minimum, publish the following information on its public website:

- Standard Conditions of Contract (SCC)
- A generic Construction Agreement
- A generic ARCA
- Any other relevant standard terms and conditions / technical specifications which are not site-specific.

7. Pre-Connection Application studies / Feasibility studies

7.1 Where a potential applicant wishes to explore options for connecting to the network, a pre-application study (feasibility study) may be requested by a User. Due to the

speculative and varied nature of such requests, it is not proposed to specify precise timescales or costs upfront. However, NG NTS shall be subject to a reasonable endeavours obligation to complete the study in a reasonable timescale and at a price which reflects the costs incurred.

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