

## **NTS Connections Process – Draft Rules**

### **Version 1.0**

#### **1. Application Process:**

- 1.1 All potential NTS connectees must have held at least 1 formal meeting with NG NTS to discuss their proposed connection, 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 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 User 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.
- 1.5 Each application form shall be date stamped and dealt with in order of receipt.
- 1.6 The 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 User 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 User.
- 1.8 If the User wishes to examine a number of options in detail, a separate application must be submitted for each one.

#### **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 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.
- 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.

### 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 3 months shall relieve the applicant of all cost liabilities associated with the connection application. Any monies paid in advance shall be refunded to the relevant User.
- 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.