

## Representation

### Draft Modification Report

#### 0373: Governance of NTS connection processes

**Consultation close out date:** 30 March 2012  
**Respond to:** enquiries@gasgovernance.co.uk  
**Organisation:** ScottishPower Energy Management Ltd  
**Representative:** Gerry Hoggan  
**Date of Representation:** 30 March 2012

#### Do you support or oppose implementation?

Support

#### Please summarise (in one paragraph) the key reason(s) for your support/opposition.

We are supportive of implementation of this proposal as it goes some way towards addressing what was a fairly glaring lack of formal governance within the UNC in relation to physical connection processes (as distinct from capacity allocation processes), particularly when compared to the corresponding processes in electricity. This proposal represents valuable progress although we believe that additional work still needs to be done to create a more holistic process, or at least to have other processes more fully aligned, to create greater certainty for developers with the aim of facilitating the timely delivery of new projects. We would also commend the way in which this modification has been developed, with the proposer working closely with National Grid NTS and with cross industry input from a number of different forums, to produce a proposal which we believe now carries a wide measure of industry consensus.

#### Are there any new or additional issues that you believe should be recorded in the Modification Report?

No.

### **Relevant Objectives:**

*How would implementation of this modification impact the relevant objectives?*

We are satisfied with the draft modification Report's assessment of the impact that implementation would have on the relevant objectives, particularly as regards objective (c) – the efficient discharge of the licensee's obligations, and objective (d) – the securing of effective competition.

### **Impacts and Costs:**

*What analysis, development and ongoing costs would you face if this modification were implemented?*

We do not anticipate incurring any costs as a result of the implementation of this modification. Rather we agree with the view stated within the draft report that implementation of this modification is more likely bring reduced costs and risks for developers by the introduction of a more structured process with more clearly defined outlays and timelines. Such costs as there may be will fall on National Grid NTS with regard to the development and operation of their internal practices and procedures to ensure compliance with the new connection process.

### **Implementation:**

*What lead-time would you wish to see prior to this modification being implemented, and why?*

As we believe that this modification will bring significant improvements for developers as regards the overall connection process, we would wish to see this implemented as soon as practicably possible. However we do remain mindful that there are consequential matters that still require to be finalised such as the determination of the relevant Connection Application Fees and their publication in the Connection Charging Statement.

### **Legal Text:**

*Are you satisfied that the legal text will deliver the intent of the modification?*

We are comfortable that the legal text reflects and will deliver the intent of the modification.

**Is there anything further you wish to be taken into account?**

*Please provide any additional comments, supporting analysis, or other information that that you believe should be taken into account or you wish to emphasise.*

While we welcome this proposal as a significant step in providing a formal governance framework for gas connections, we feel it is appropriate to highlight that in addition to the connections process itself there may well be other parallel processes involved in the development of projects, such as the release and allocation of capacity, IPC consenting processes or Revenue Driver requirements. These should be aligned and co-ordinated as much as reasonably possible and due account should be taken of them in an overall project plan with the aim of ensuring the most efficient delivery of new projects. We welcome that this has been recognised by National Grid and the work that they plan to take forward initially on connection/capacity processes via the Transmission Issues Workgroup. Moreover with new CCGT developments particularly it would be worthwhile to explore greater co-ordination of the separate electricity and gas connection processes where possible, while still ensuring that the necessary fundamental commercial safeguards are retained.