

**UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT**

**SECTION V - GENERAL**

**1 INTRODUCTION**

[...]

**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 NTS 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, and the applicant has indicated whether or not the application relates to a Standard Design Connection; and
- (c) 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:

- (a) as soon as reasonably practicable, and in any case no more than two (2) Business Days from the date of receipt of the Connection Application, acknowledge receipt of such Connection Application;
- (b) as soon as reasonably practicable;
  - (i) confirm that it is a Competent Connection Application (no more than five (5) Business Days after the date that the Connection Application is deemed to be a Competent Connection Application); or
  - (ii) 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; and

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(c) where it considers that further information or data is required in order for it to consider or progress the Connection Application, request such further information or data from the Connection Applicant. The Connection Applicant shall provide the requested information or data as soon as reasonably practicable and in any case no more than five (5) Business Days after the date of receipt of the request from National Grid NTS.

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. In relation to the withdrawal of a Full Connection Application only, 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.

13.1.6 13.1.6 For the purposes of the Code a "**Standard Design Connection**" means:

(a) a standard design connection in accordance with the document named 'National Grid T/PM/G/19 – Management Procedure for Application of Model Design Appraisals for Entry and Exit Connections up to 300mm Minimum Offtake Connections'; and

(b) in respect of which, unless National Grid NTS otherwise agrees in writing, the maximum rate at which gas can be delivered to or offtaken from the NTS does not exceed 57.3 GWh/Day at a design pressure of 38barg.

and any other connection is a "**Non-Standard Design Connection**".

### 13.2 Connection Application Fees

13.2.1 The Connection Application Fee in relation to:

(a) an Initial Connection Application shall be:

(i) the same monetary value for all categories of NTS connections; and

(ii) a fixed, full and final amount that shall not be 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 Application Fee);

(b) an Initial Connection Application and a Full Connection Application in respect of a Standard Design Connection shall be a fixed amount.

13.2.2 Following the issue of a Full Connection Offer or the withdrawal of a Full Connection Application by the Connection Applicant, or where National Grid NTS has not provided a Full Connection Offer as set out in paragraph 13.4.3;

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National Grid NTS shall calculate the total actual costs (including a reasonable overhead) reasonably incurred by National Grid NTS in progressing the Full Connection Application and preparing and issuing the Full Connection Offer, including undertaking all necessary design and engineering studies and preparing the relevant agreement for undertaking the detailed design of the connection and the associated physical construction works (“**Construction Agreement**”). Where these costs are less than the Connection Application Fee paid by the Connection Applicant, National Grid NTS shall refund such difference to the Connection Applicant. Where these costs are greater than the Connection Application Fee paid by the Connection Applicant, National Grid NTS shall invoice the Connection Applicant for the difference.

13.2.3 For the avoidance of doubt, no reconciliation under paragraph 13.2.2 shall be undertaken in relation to an Initial Connection Offer or an Initial Connection Application or, in relation to a Standard Design Connection, a Full Connection Offer or a Full Connection Application.

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13.2.4 The Connection Application Fees will be reviewed, updated and published in accordance with Uniform Network Code Transportation Principal Document - Section Y, Connection Charging Methodology, Section 2, paragraphs 25A and 25B.

### 13.3 Types of Connection Offers

13.3.1 A “**Connection Offer**” shall be either an Initial Connection Offer or a Full Connection Offer, and the Connection Application shall identify the type of Connection Offer being applied for. For the purposes of the Code:

(a) an “**Initial Connection Offer**” is an early estimate of the physical construction costs, programme of works and layout of the proposed Connection based only on a desktop exercise by National Grid NTS and will provide the Connection Applicant with the information as described at paragraph 13.4.1 and a draft Construction Agreement (unless waived by the Applicant at the point of Application). An Initial Connection Offer may only be applied for in relation to a single point of connection to the NTS, and not for the purposes of exploring multiple options or locations to connect to the NTS;

(b) a “**Full Connection Offer**” is a detailed estimate of the physical construction costs, programme of works and layout of the proposed Connection based on design and engineering studies and will provide the Connection Applicant with the information as described at paragraph 13.4.2 and a draft Construction Agreement. For the avoidance of doubt, there will still be a detailed design and build stage after the Full Connection Offer is provided;

(c) an “**Initial Connection Application**” is a Connection Application in relation to an Initial Connection Offer; and

(d) a “**Full Connection Application**” is a Connection Application in relation to a Full Connection Offer.

### 13.4 Content of Connection Offers

13.4.1 An Initial Connection Offer shall comprise, as a minimum:

- (a) an estimate of the Connection Applicant's financial liabilities in relation to construction works costs that would be incurred in providing the requested connection to the NTS, together with details of the indicative timing of payments in respect of such costs, including provision for reconciliation of actual costs post-construction, where reasonably incurred by National Grid NTS;
- (b) an indicative programme of the proposed construction works, including an indication of whether NTS reinforcement may be required, the indicative completion date and the key milestones;
- (c) the proposed indicative location of the proposed Connection and a draft connection layout drawing;
- (d) a draft Construction Agreement, unless the Connection Applicant has advised National Grid NTS that it does not require a draft Construction Agreement to be provided as part of the Initial Connection Offer;
- (e) an indication of the works required by National Grid NTS to produce a Full Connection Offer (should the Connection Application submit a Full Connection Application based on the Initial Connection Offer); and
- (f) details of the Connection Application Fee that would be payable by the Connection Applicant in relation to a Full Connection Application (should the Connection Applicant submit a Full Connection Application based on the Initial Connection Offer), which fee would be subject to reconciliation as set out in paragraph 13.2.2.

13.4.2 A Full 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 Full Connection Offer and paid for by the Applicant as part of the Application Fee;
- (b) a draft Construction Agreement in relation to the proposed construction works;
- (c) an indicative programme of the proposed construction works, including as a minimum:
  - (i) the anticipated dates on which the connection will be available to the Connection Applicant for testing and commissioning and commercial operation, with details as to how such dates are contingent on any relevant planning or other consents being obtained;
  - (ii) details of the location of the proposed Connection, including Ordnance Survey (or equivalent) map with grid references and a site layout drawing;
  - (iii) an indicative project plan containing:
    - (1) 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);

(2) an indicative earliest milestone date at which System Capacity could be applied for by a User in order for the Connection Applicant to align its capacity needs with the indicative connection completion date;

(3) an indicative milestone date by when the relevant Network Exit Agreement, Network Entry Agreement, Storage Connection Agreement or Supplemental Agreement has to be signed (as appropriate and where applicable); and

(4) an indicative programme of works to deliver the requested connection or modification including:

- (aa) an overall project timeline and key milestone dates;
- (bb) details of payment milestones;
- (cc) any credit requirements;
- (dd) indicative dates for purchase of long-lead items; and
- (ee) details of any additional activities or studies required if the Connection Offer is accepted, including the indicative cost of such activities or studies.

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) any foreseeable planning and other consent milestone dates;

(v) where National Grid NTS is requested by the Connection Applicant to construct the connecting pipeline, an indication of the potential size and route corridor of any connecting pipeline to be constructed by National Grid NTS subject to the outcome of any planning application National Grid NTS may have to submit in relation to such pipeline; and

(vi) an indicative draft of any relevant Network Exit Agreement, Network Entry Agreement, Storage Connection Agreement or Supplemental Agreement (or amendment thereto) (as appropriate and where applicable) that has to be signed in relation to the relevant NTS System Point, which shall include the relevant technical parameters;

(d) the Full Connection Offer shall contain an estimate of the construction works costs to be paid by the Connection Applicant pursuant to the draft Construction Agreement, together with dates on which payments in respect of such amounts would be due to be made, if the Full Connection Offer is accepted.

- 13.4.3 Where a physical connection (as requested pursuant to the Full Connection Application) to the NTS is not deemed by National Grid NTS (acting reasonably) to be feasible for technical or engineering reasons, National Grid NTS shall not be required to produce the relevant Full Connection Offer and shall provide written notification to the Connection Applicant and the Authority, with an explanation why physical connection (and therefore provision of a Full Connection Offer) is not possible.

### 13.5 Connection Offers

- 13.5.1 National Grid NTS shall issue a Connection Offer to the Connection Applicant as soon as reasonably practicable and in any event;

(a) in the case of an Initial Connection Offer, within two (2) months of the date on which National Grid NTS notifies the Connection Applicant that the relevant Initial Connection Application is a Competent Connection Application; and

(b) in the case of a Full Connection Offer, within:

(i) in the case of a Standard Design Connection where National Grid NTS determines:

(1) no feasibility study is required, three (3) months;

(2) a feasibility study is required, six (6) months;

(ii) in the case of a Non-Standard Design Connection;

(iii) (1) six (6) months (where the connection point requested by the Connection Applicant is in a greenfield location (being a location that has not previously been the subject of development) and the Full Connection Offer is in respect of a minimum offtake connection to the NTS with a ramp rate of less than 50MW/minute); or

(2) where paragraph (b) (iii) (1) does not apply nine (9) months

(or such longer time as the Authority may agree, or be deemed to have agreed, pursuant to paragraph 13.5.2) 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”).

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

(a) in the case of an Initial Connection Offer, within two (2) months of the date on which National Grid NTS notifies the Connection Applicant that the relevant Initial Connection Application is a Competent Connection Application; and

(b) in the case of a Full Connection Offer, within:

(i) six (6) months (where the connection point requested by the Connection Applicant is in a greenfield location (being a location that has not previously been the subject of development) and the Full Connection Offer is in respect of a minimum offtake connection to the NTS with a ramp rate of less than 50MW/minute); or

(ii) nine (9) months (in all other cases);

(or such longer time as the Authority may agree, or be deemed to have agreed, pursuant to paragraph 13.5.2) 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”).

13.5.3 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. The Connection Offer Deadline shall be extended as directed by the Authority in response to such application. Pending any decision by the Authority in response to such application, the Connection Offer Deadline shall remain as determined pursuant to paragraph 13.5.1.

- 13.5.4 To accept a Full Connection Offer, the Connection Applicant must sign and return the Construction Agreement contained within such Full Connection Offer, which will then be countersigned by National Grid NTS and a copy returned to the Connection Applicant.
- 13.5.5 An Initial Connection Offer is not an offer capable of acceptance and is not binding on National Grid NTS or the Connection Applicant and in order to proceed further, the Connection Applicant must submit a Full Connection Application.
- 13.5.6 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.
- 13.5.7 A feasibility study ~~may~~ be required in order to be able to provide a Full Connection Offer to the Connection Applicant except where the connection point requested by the Connection Applicant is in a greenfield location (being a location that has not previously been the subject of development) and the Full Connection Offer is in respect of a minimum offtake connection to the NTS with a ramp rate of less than 50MW/minute. Where a feasibility study is required in order to be able to provide a Full Connection Offer:
- (a) National Grid NTS shall undertake such feasibility study and shall provide the Connection Applicant with a copy of the resulting feasibility study report within three (3) months of the date on which National Grid NTS notifies the Connection Applicant that the Full Connection Application is a Competent Connection Application;
- (b) no later than three (3) months after receipt of the feasibility study report, the Connection Applicant may notify National Grid NTS that it wishes National Grid NTS to provide a Full Connection Offer based on the feasibility study report (provided that, where the feasibility study report contains specific questions for the Connection Applicant to answer, the Connection Applicant has provided sufficiently detailed answers to such questions within such three (3) month period;
- (c) the time between (i) National Grid NTS providing the feasibility study report to the Connection Applicant and (ii) the Connection Applicant notifying National Grid NTS that it wishes National Grid NTS to provide a Full Connection Offer based on the feasibility study report (and, where applicable, providing sufficiently detailed answers to any specific questions set out in the feasibility study report) shall be discounted when determining whether National Grid NTS has complied with its obligation under paragraph 13.5.1; and

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(d) 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 Full Connection Offer based on the feasibility study report, then the Connection Applicant shall be deemed to have given notice to National Grid NTS to terminate work on the Full Connection Application.

**UNIFORM NETWORK CODE – TRANSPORTATION principal DOCUMENT**

**SECTION Y – CHARGING METHODOLOGIES**

[...]

**SECTION 2 - PRINCIPLES**

4. National Grid shall be entitled to recover in respect of:

(a) Standard Design Connections:

(i) Fixed Costs only in relation to Design Works:

(ii) Actual Costs in relation to Construction Works:

(b) Non-Standard Design Connections Actual Costs for both Design Works and

5. In relation to Standard Design Connections and Non-Standard Design Connections National Grid NTS's Actual Costs will reflect the cost of labour, materials, and any other expenses required to carry out the work to the customer's requirements including applicable Lane Rental Charges<sup>15</sup>. Each cost element will carry an appropriate level of overhead.

6. National Grid will calculate Estimated Costs and Actual Costs using:

(a) National Grid's fully absorbed direct costs associated with undertaking any works, i.e. including appropriate overhead costs;

(b) Individually tendered rates for indirect costs, and

(c) Any other costs not included above related to the provision of connection activities.

<sup>15</sup> National Grid is obliged to pass on only those costs which have been efficiently incurred.

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7. National Grid may carry out work additional to that which is required to meet the requirements of the customer (in relation to both Standard Design Connections and Non-Standard Design Connections) to ensure that it develops the NTS in an economic and efficient manner. Where this occurs, the cost of any additional works will not be charged to the customer.

8. All charges are made subject to the appropriate Standard Conditions of Contract (SCCs), which will be made available on request in respect of specific projects.

9. Quotations will identify any assumptions that are used in the determination of the Estimated Costs.

10. National Grid will enter into commercial agreements with customers in relation to Non-Standard Design Connections and Standard Design Connections on the basis of Estimated Costs, and will seek an advance payment of these Estimated Costs in accordance with both the relevant commercial agreement and National Grid's prevailing credit policy.

11. However, to ensure that the Actual Costs of the project are recovered as described in paragraph 4 above, when final payment is due, as specified in the relevant commercial agreement, National Grid will compare Actual Costs with Estimated Costs invoiced to date and charge for the additional costs incurred or refund any overpayment, as may be the case.

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Connection – Load Size Threshold

12. Loads (or sources of gas) below 58,600,000kWh (2 million therms) per annum shall not be connected, or be permitted to connect, to the NTS. In exceptional circumstances where suitable alternative connections to a Distribution Network are not available, then National Grid will consider requests on a case by case basis.