

Issue	Revision
1	Final

# **NTS Exit Capacity Arrangements Demonstration Information in respect of the Enduring Exit Period**

**Applies from 1 October 2009**

nationalgrid

**DOCUMENT HISTORY**

V1	March 2009	First Version

## ABOUT THIS DOCUMENT

This document describes the guidelines that National Grid Gas plc (“National Grid”) in its role as holder of the Gas Transporter Licence in respect of the NTS (the “Licence”) employs following an application by:

- a User making an ad-hoc application for Enduring Annual NTS Exit (Flat) Capacity, i.e. outside the Annual Application Window; or
- a Developer who has entered in to an Advanced Reservation of Capacity Agreement (ARCA) to reserve Enduring Annual NTS Exit (Flat) Capacity;

where National Grid requires additional information prior to proceeding with significant capital expenditure. The guide applies to capacity required for use commencing 1 October 2012 or later (i.e. in the Enduring Exit Period).

This document is one of a suite of documents that describe the release of NTS exit capacity by National Grid and the methodologies supporting them. In the event of differences existing between this document and the relevant provisions of UNC, the UNC takes precedence.

This statement applies from 1 October 2009<sup>1</sup>.

If you require further details about any of the information contained within this document or have comments on how this document might be improved please contact the Gas Customer Team in UK Transmission at

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<sup>1</sup> Subject to implementation of UNC Mod Proposal 0241.

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## **GENERAL INTRODUCTION**

1. National Grid is the owner and the operator of the gas National Transmission System (NTS) in Great Britain.
2. The NTS is a network of pipelines, presently operated at pressures of up to 94 bar, which transports gas safely and efficiently from coastal terminals and storage facilities to exit points from the system. NTS Exit Points are predominantly connections to Distribution Networks (DNs), but also include storage sites and direct connections to large industrial consumers, power stations and other systems, such as interconnectors to other countries.
3. This publication sets out the guidelines for Demonstration Information to be provided to National Grid by the User / Developer following an offer/ARCA being accepted by a User/Developer for Enduring Annual NTS Exit (Flat) Capacity.
4. By providing Demonstration Information to National Grid, Users and Developers are providing confidence to National Grid that the physical completion of a Project is realistic in the timescales implied by the application for the capacity and that it is appropriate for National Grid to proceed with significant capital expenditure, e.g. purchase of long lead item materials, etc.
5. Details of National Grid and its activities can be found on the company's internet site at [www.nationalgrid.com](http://www.nationalgrid.com).
6. Key terms used throughout this document are defined in Appendix 1.

## CHAPTER 1: DEMONSTRATION INFORMATION POLICY

7. This guideline document has been produced to meet the requirements of Uniform Network Code (“UNC”) Transportation Principle Document (“TPD”) paragraph B3.3.5, as introduced by Modification Proposal 0195AV - Introduction of Enduring NTS Exit Capacity Arrangements.
8. Under UNC TPD section B3, if the Demonstration Information is not provided by a Demonstration Date specified by National Grid then National Grid may reset the Demonstration Date and defer the provision of the Enduring Annual NTS Exit (Flat) Capacity by up to one year. National Grid may advise a revised Demonstration Date up to a total of three (3) Demonstration Dates per Project, including the original Demonstration Date.
9. In the event that the User/Developer fails to provide the Demonstration Information by the third notified Demonstration Date, unless otherwise agreed with the User/Developer, the User/Developer shall cease to hold the Enduring Annual NTS Exit (Flat) Capacity and National Grid shall be entitled to recover all costs and expenses incurred in performing design work in respect of the Works.
10. The Demonstration Information to be provided to National Grid, will **be specified by NGG and will** include, but not be limited to, the following from Table 1:
  - a) at least two (2) items from the Internal column; and
  - b) all relevant items from the External column.Table 1 will be updated from time to time as required to reflect changes in legislation and commercial arrangements.
11. The Demonstration Information to be provided will be agreed between National Grid and the User / Developer at the time of application in the first instance or at the time of notification of subsequent Demonstration Dates, as appropriate, as Table 1 is for guidance/indicative purposes only. Agreement on the Demonstration Information to be provided may be assisted by the User / Developer and National Grid sharing their key milestone dates.
12. The Demonstration Information to be provided may be amended through a written request from the User / Developer subject to the acceptance of National Grid.
13. Demonstration Information is only applicable for an ad-hoc application, i.e. outside the Annual Application Window and ARCAs (detailed in UNC TPD paragraph B3.3.4).

<b>Table 1 – Guidelines of Demonstration Information</b>	
<b>Internal to the User or Developer</b>	<b>External to the User or Developer</b>
Full financial backing for the Project.	Where required, planning consent under Section 36 of the Electricity Act 1989 (as amended) applied for and/or granted.
Contracts for detailed design placed for the facilities (and connecting pipeline where required) downstream of the NTS Exit Point.	Full planning permission granted for the Project site and for National Grid's NTS connection facilities at the NTS Exit Point, where this is remote from the Project site.
Contracts for construction placed for Project facilities downstream of the NTS Exit Point, including connecting pipeline, where required.	Full planning permission granted for any connecting pipeline between the NTS Exit Point and the Project site.
Construction commenced at the Project site.	
Construction of connecting pipeline commenced, where required.	

## APPENDIX 1: DEFINITIONS

**ARCA** means **Advanced Reservation of Capacity Agreement** and is an agreement between National Grid and a Developer, e.g. in respect of a new NTS Exit Point or expansion of an existing NTS Exit Point.

**Demonstration Date** is the latest date by which the Demonstration Information is to be provided to National Grid.

**Demonstration Information** is such information (not being information which is in the possession or control of National Grid) as is sufficient to enable National Grid to be reasonably satisfied that the User / Developer:

- a) will be able to progress the Project to commencement or has commenced the Project; and
- b) is expected to be able to progress the Project to completion such that the Enduring Annual NTS Exit (Flat) Capacity applied for (or reserved) will be utilised by the offtake of gas at the NTS Exit Point with effect from the Registration Date(s);

**Developer** means a non-UNC signatory, i.e. a party other than a Shipper or a Distribution Network Operator, which is developing a Project. In UNC this is referred to as a Reservation Party.

**Enduring Annual NTS Exit (Flat) Capacity** is NTS Exit (Flat) Capacity which may be applied for and registered as held (in a given amount) by a User (or reserved by a Developer) for each Day in a Gas Year on an evergreen basis.

**Enduring Exit Period** means the period from 1 October 2012, being the date from which exit capacity will be released in accordance with revised “enduring” arrangements.

**NTS Exit Point** means NTS System Exit Point and/or NTS/LDZ Offtake.

**NTS/LDZ Offtakes** are connections from the NTS to a Distribution Network operated by a Distribution Network Operator (a “DNO”).

**Project** means a project that will require the offtake of gas from the NTS at a new or existing NTS Exit Point.

**Registration Date** is the date specified in an offer which the User/Developer has accepted from which the User/Developer will be registered as holding Enduring Annual NTS Exit (Flat) Capacity.

**User** means **Shipper User or DNO User**.

**Works** means works, in relation to reinforcement of the NTS, in order to make available the Enduring Annual NTS Exit (Flat) Capacity applied for pursuant to an application. This is distinct from works required to upgrade NTS connection apparatus.