



Making a positive difference
for energy consumers

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Dear Ben

Decision on the Transmission Planning Code 2017

Thank you¹ for submitting the draft Transmission Planning Code (TPC) to us² for approval in your letter to Emma Kelso on 10 March 2017. As the head of Gas Systems I am responding on behalf of the Authority. After careful consideration, we have decided to approve your proposed changes to the TPC. We outline our reasons for doing so below.

Background

Special Condition 7B of National Grid Gas (NGG) gas transporter licence requires you to maintain, implement and comply with a TPC which:

- covers all material aspects relating to the planning and development of the NTS that may have a material impact on users of the NTS
- includes a methodology to determine the physical capability of the NTS
- includes detailed planning assumptions about likely developments in the patterns and levels of gas supply and demand on the NTS, and about the operation of the NTS under different gas supply and demand scenarios.

You have an obligation to review and consult on the TPC at least every two years and if so requested by us in consultation with interested parties likely to be materially affected by the review. Within 28 days of completing the review you have an obligation to send us

- (a) a report on the outcome of the review
- (b) a statement on proposed changes that would better fulfil the requirements of Part A of Special Condition 7B
- (c) any written representations that were received from interested parties.

We then have 28 days to decide whether to approve the proposed revisions to the TPC.³

This year you issued a consultation on 31 January 2017, proposing a number of changes to the TPC. You received no responses. You have now submitted a draft TPC to us for a decision.

¹ The term "you", "your", and "the licensee" are used to refer to National Grid Gas plc in this letter.

² The terms "the Authority", "Ofgem", "we" and "us" are used interchangeably in this letter. The Authority is the Gas and Electricity Markets Authority. Ofgem is the office of the Authority.

³ Special condition 7B, Part B.

Proposed amendments to the TPC

Your proposed changes to the TPC were largely minor in nature, in anticipation of a greater review as part of the planning and operating standards project later this year.

The changes you propose to the TPC include:

- inclusion of text describing the process for securing entry and exit capacity at interconnection points implemented to ensure compliance with amendments to the Network Code on Capacity Allocation Mechanism in Gas Transmission Systems
- removal of references to Constrained LNG as the service is no longer offered
- inclusion of references to the Gas Future Operability Planning publication, and
- other minor typographical changes.

Our view

We consider the proposed changes to be minor and to accurately reflect changes to circumstances and policy since the previous changes in 2015.

We support NGG's plan to review the TPC in more detail later in 2017 as part of the planning and operating standards project.

Our decision

Following consideration of the documentation provided and having regard to our principal objective and statutory duties, and for the reasons set out above, we have decided, pursuant to Special Condition 7B of the NGG gas transporter licence, to approve the revised version of the TPC submitted by you on 10 March 2017.

Please contact Liam Drummond-Clark at liam.drummond-clark@ofgem.gov.uk or on 0203 263 9890 if you have any questions about this decision.

Yours faithfully



Chris Brown

Head of Gas Systems

Signed on behalf of the Authority and authorised for that purpose.