

Orlando Elmhirst
National Grid
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Email: Bogdan.Kowalewicz@ofgem.gov.uk

Email: orlando.elmhirst@nationalgrid.com

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Decision on the Transmission Planning Code

Dear Orlando,

Thank you¹ for submitting the draft Transmission Planning Code ('TPC') to us² for approval on 18 December 2019.

After careful consideration, we have decided to approve the 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, Special Conditions ('the Licence') requires you to maintain, implement and comply with a TPC which:

- covers all material aspects relating to the planning and development of the National Transmission System (NTS) that may have a material impact on users of the NTS;
- includes a methodology to determine the physical capability of the NTS, and;
- 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.

Special Condition 7B.6 of the Licence provides that you must, if so directed by the Authority, and in any event at least once every two years, review the TPC in consultation with interested parties likely to be materially affected by the review.

Special Condition 7B.7 of the Licence obliges you to send us the following within 28 days of completing the review:

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

In accordance with Special Condition 7B.9, we then have 28 days to decide whether to approve the proposed revisions to the TPC.

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.

This year you issued a consultation on 11 September 2019. The consultation closed on 11 October 2019. After feedback from us, you reinstated a number of omitted sections that were in the 2017 TPC and on 18 November 2019 reopened the consultation for an additional month, until 17 December 2019.

You informed us that in the first round, one stakeholder requested a copy of the changes made to the TPC, which you provided. No responses were received in relation to the content of the proposed changes. In the second round, you informed us that NGG received no response or comment to the consultation.

Proposed amendments to the TPC

You propose numerous changes to the TPC, including:

- updating the references to several pieces of legislation which have been amended or replaced since the last approval of the TPC in 2017;
- adding information to Section 3 on the impact of the Customer Low Cost Connections ('CLOCC') project;
- redrawing Figures 1-6 and retabulating Table 6;
- moving appendix F to Section 10 and amalgamating appendices C and D into one section (ie Section 11 - 'Long-term scenarios');
- in general, factually updating Section 12, among others to:
 - o add new charts with the 2015-2018 data (ie Figure 7, Figure 8, Figure 13 and Figure 14) and with the 2017 data (ie Figure 10);
 - o insert redesigned figures (ie Figure 9, Figure 11 and Figure 15) and redrafted text accompanying these figures;
 - o update the number of compressor units on the NTS;
- changes to the text to improve its clarity, accuracy, legal robustness and reader friendliness. This also includes several deletions of superfluous or redundant text throughout the document;
- adding additional terms to the Glossary (eg 'Aggregate System Entry Point (ASEP)', 'Best Available Technique (BAT)' etc.);
- other typographical and wording changes.

Our view

We consider the proposed changes better achieve the requirement for the TPC to include 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.

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 Licence, to approve the revised version of the TPC submitted by you on 18 December 2019.

Please contact Bogdan Kowalewicz at Bogdan.Kowalewicz@ofgem.gov.uk or on 0207 901 7293 if you have any questions about this decision.

Yours sincerely

David O'Neill
Head of Gas Systems

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