

System Management Principles Statement Annual Consultation by National Grid Gas (NTS)

February 2019

Summary

This annual consultation is being carried out in accordance with the National Grid Gas (NTS) Gas Transporter (GT) Licence - Special Condition 8A paragraph 21. The consultation period will be for 28 days.

This document contains the timescales for the consultation and the background to the consultation.

Following this consultation, National Grid Gas (NTS) will produce a report and submit it to the Authority in accordance with its GT Licence Special Condition 8A paragraph 21.

Consultation timescales

National Grid Gas (NTS) issues consultation:	11 th February 2019
Closing date for responses:	11 th March 2019
National Grid NTS submits report to the Authority:	18 th March 2019

Background

National Grid Gas (NTS) prepares a SMP Statement in accordance with Special Condition 8A of its GT Licence. The original version (1.0) of the SMP Statement was approved by the Authority and became effective on 2nd October 2002. The current version 6.0 is available here:

<https://www.nationalgridgas.com/sites/gas/files/documents/System%20Management%20Principles%20Statement%20-%20v6.0.pdf>

Changes proposed to the SMP Statement

We propose to make the following material changes to the current version of the SMP Statement:

Change Type	Description	Location
Brexit Related	A reference to a specific EU law was removed to allow for uncertainty caused by Brexit.	Part A, Section 1, Paragraph 4, page 5

Change of owner of statement	Text amended from “Ofgem has indicated that” to “National Grid NTS believe it’s” as reference to Ofgem’s indication was ambiguous, however the statement itself is still true.	Part A, Section 2, Paragraph 2, page 6
Clarification	“Primarily” added to clarify that delivering flow rate changes is not the only function of the System Management tools.	Part B, Section 3, Paragraph 1, page 8
Further explanation of existing process	Wording updated to reflect that the responsiveness of the market can change how many System Management tools we use, and how quickly we will progress from one tool to the next.	Part B, Section 3, Paragraph 2, page 8
Amendment to improve consistency	“Physical” was removed to make the reference to flows consistent throughout the document.	Part C, Section 1, Paragraph 1, page 10
Clarification	Wording updated to reflect that National Grid is able to restrict both firm NTS Entry and Exit Capacity.	Part C, Section 1, Paragraph 3, Bullet Point 7, page 10
Update to reflect change	Wording updated to reflect that National Grid no longer base the decision to trade on PCLP or a ‘target linepack’ position. This is due to the inherent inaccuracies with the PCLP calculation as it is dependent on accurate data being received from connected facility operators. A reference to the use of Demand Side Response was also added to this section.	Part C, Section 3.1, Whole Section, pages 12 & 13
Clarification	Wording amended to provide clarity regarding National Grid’s ability to post bids and offers, as the original text was considered open to interpretation in this regard.	Part D, Section 4, Paragraphs 2 and 3, page 18

We also propose to make the following non-material changes to the current version of the SMP Statement:

Change Type	Description	Location
Housekeeping	Text was removed or amended in several sections to make the document more clear and concise without any change in meaning.	Part A, Section 2, Paragraph 1, page 5 Part B, Section 3, Paragraph 1, page 8 Part B, Section 4, Paragraph 2, page 8 Part B, Section 5, Paragraph 1, page 9

Functional	A hyperlink to the REMIT “inside information” FAQ was added.	Part B, Section 5, Paragraph 4, page 9
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A change marked draft version of the SMP Statement (version 6.1), which includes the proposed amendments for 1st April 2019, along with this Consultation document, can be found on the National Grid website at this link:

<https://www.nationalgrid.com/uk/about-grid/how-we-are-regulated/gas-industry-compliance>

Views Sought

National Grid Gas (NTS) would welcome your views and any wider comments on the document, within the terms of this consultation.

Please ensure that any responses to this consultation are received by close of play on 11th March 2019.

Responses should be sent electronically to box.gas.market.devel@nationalgrid.com or by post to:

Jonathan Baggott
 Future Markets - Gas (D2)
 National Grid House
 Gallows Hill
 Warwick
 CV34 6DA

We are willing to meet with you to consider modifications to the Statement. If you would like to arrange a meeting with National Grid to discuss the SMP Statement, please use the contact details above.