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29<sup>th</sup> November 2019

Our Ref: 2019 – Medway - ExCS

Dear Industry Colleagues,

## Medway ExCS Informal Notice (including exit Substitution & Baseline Revision)

National Grid Gas plc (“National Grid”) received a Planning and Advanced Reservation of Capacity Agreement (PARCA) application on 16<sup>th</sup> May 2019. The application achieved competency<sup>1</sup> on 30<sup>th</sup> May 2019. The application requested firm Enduring Annual NTS exit (Flat) Capacity<sup>2</sup> in excess of the prevailing baseline capacity level at the Medway exit point. The application requested up to:

- 42,993,009 kWh/d from 1<sup>st</sup> April 2026

The PARCA application triggered Phase 1 of the PARCA process on 31<sup>st</sup> May 2019.



As part of Phase 1 works, National Grid completed network analysis to identify the most appropriate and robust solution to accommodate the capacity being requested. The Phase 1 process identified that the capacity request could be met by;

- Existing Unsold Capacity of 5,348,916 kWh/day from Medway from 1<sup>st</sup> April 2026.
- Substitution of 39,760,000 kWh/day from Shorne DN exit point, to reserve 37,644,093 kWh/day at Medway, from 1<sup>st</sup> April 2026.

This informal notice signifies the end of PARCA Phase 1 and the first opportunity for industry parties to raise any concerns around the method to meet the additional capacity request in this location.

<sup>1</sup> As per Uniform Network Code, Transportation Principal Document, Section B – System Use and Capacity, para. 1.15.4.

<sup>2</sup> Please note that this notice contains terminology relating to Exit Capacity which is used in the Licence and in the Uniform Network Code (“UNC”). Licence defined capacity terms are given in ***bold italics***.

## Application for Capacity Release

*Substitution of Unsold Capacity from 1st April 2026.*

As part of the Phase 1 works, National Grid completed network analysis to assess what impact the capacity had on the existing network.

In accordance with the Gas Transporter Licence<sup>3</sup>, substitution<sup>4</sup> of **Non-incremental Obligated Capacity** has been assessed and identified as being able to meet the Firm Enduring Annual NTS (Flat) Capacity requirements in excess of the prevailing baseline NTS Capacity at the Medway exit point in full.

National Grid therefore proposes that from 1<sup>st</sup> April 2026:

- Additional Baseline NTS Capacity identified at the Medway exit point is met by substituting unsold NTS Baseline Capacity from Shorne DN exit point. (See table below).

**Statement of proposed Non-incremental Capacity substitution in accordance with Special Condition 5G paragraph 6 (formerly paragraph 4(a) (iv) of Special Condition C8E) of the Licence:**

<i>Recipient NTS Point</i>	<i>Donor NTS Exit Points</i>	<i>Capacity Donated (kWh/d)</i>	<i>Capacity Received (kWh/d)</i>	<i>Exchange Rate (Donor : Recipient)</i>
Medway	Shorne	39,760,000	37,644,093	1.0562:1

<sup>3</sup> Special Condition 5G (formerly paragraph 3(c) (i) of Special Condition C8E).

<sup>4</sup> During October 2015, the Authority approved the Exit Capacity Substitution and Revision Methodology Statement (the "Methodology") pursuant to Special Condition 9A.

**Baseline Modification Proposal:**

<i>NTS Point</i>	<i>Type</i>	<i>Recipient / Donor</i>	<i>Current Baseline (at 1<sup>st</sup> April 2026) (kWh/d)</i>	<i>Proposed Baseline (kWh/d)</i>	<i>Remaining unsold capacity (kWh/d)</i>
Medway	DC	Recipient	38,120,000	75,764,093	0
Shorne	DN	Donor	67,060,000 <sup>5</sup>	22,590,000	2,763,893

Appendix 1 provides additional information regarding the proposal to demonstrate that National Grid has determined its proposals for capacity substitution in accordance with the Methodology.

I would therefore be grateful if you could acknowledge receipt of this written proposal and the date on which it was received.

If you require any further information, please contact myself or Mark Hamling, Gas Network Capability Manager on 01926 654276.

Yours sincerely,

**Paul Sullivan**

Future Networks Manager

Gas Operations

System Operator

National Grid

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<sup>5</sup> 4,710,000 kWh/d of this is currently reserved for Staythorpe from April 2023.