

Sarah Lloyd
Transmission Network Service – Floor B3
National Grid House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA
sarah.lloyd@nationalgrid.com
box.transmissioncapacityandcharging@nationalgrid.com

Wales & West House
Spooner Close
Celtic Springs
Coedkernew
Newport NP10 8FZ

Tŷ Wales & West
Spooner Close
Celtic Springs
Coedceryw
Casnewydd NP10 8FZ

Telephone/Ffôn: 0800 912 29 99
Fax/Ffacs: 0870 1450076
Email/Ebost: enquiries@wwutilities.co.uk
www.wwutilities.co.uk

16th January 2015

Consultation on NTS Exit Capacity Release Methodology Statement

Dear Sarah,

Wales & West Utilities (WWU) transports gas to 2.4M supply points in Wales and south west England.

We welcome the opportunity to comment on the Exit Capacity Release Methodology Statement. We are only commenting on the Exit Capacity Release Methodology Statement and associated documents, in particular Chapter 5: Procedure for allocating NTS Exit (Flexibility) Capacity.

Summary

For the reasons set out below, our view is that there are elements of the NTS Exit Capacity Release Methodology Statement and the Short Term Access to System Flexibility Allocation Methodology documents that are unclear and inconsistent. The documents give the impression that DNO Users and Shippers at NTS Exit points are treated differently in respect of requests for flexibility. The reference to terms that are not defined is likely to lead to different interpretations and seems likely to lead to inconsistent treatment.

This is not helped by a lack of information about how many requests are received and what response was given.

We suggest that NTS needs to review how it provides flexibility and take urgent steps to demonstrate both transparency and equitable treatment.

Smell gas? Call us!
Aroglu nwy? Ffoniwch ni!

0800 111 999

All calls will be recorded and may be monitored
Bydd yr holl atwadau'n cael eu cofnodi ac
fe allant gael eu monitro



Wales & West Utilities Limited
Registered Office:
Wales & West House, Spooner Close, Celtic Springs,
Coedkernew, Newport NP10 8FZ
Registered in England and Wales number 5046791

Type of Capacity and provision of flexibility

The relevant part of the Uniform Network Code that defines the relevant terms is Transportation Principal Document Section B. 1.2.3:

1.2.3 For the purposes of the Code:

(a) **"NTS Entry Capacity"** at an Aggregate System Entry Point is capacity in the NTS which a User is treated as utilising in delivering gas to the NTS (and the Total System) at that point;

(b) **"NTS Exit Capacity"** at an NTS Exit Point is capacity in the NTS which a User is treated as utilising in offtaking gas from the NTS and (in the case of an NTS Supply Point and NTS Connected System Exit Point the Total System) at that NTS System Exit Point;

(c) NTS Exit Capacity comprises:

(i) **"NTS Exit (Flat) Capacity"**, which is capacity which a User is treated as utilising in offtaking gas from the NTS at a rate which (for a given Daily Quantity) is even over the course of a Day; and

(ii) **"NTS Exit (Flexibility) Capacity"**, which is capacity which a DNO User is treated as utilising, in offtaking gas from the NTS to the extent that (for a given Daily Quantity) the rate of offtake or flow is not even over the course of a Day;

The key point to note is that NTS Exit (Flexibility) Capacity is defined only in relation to DNO Users and not all Users.

Therefore it must be the case that any variation from a flat profile by Shippers at Exit points must be variations to their NTS Exit (Flat) Capacity. As DNO Users also have NTS Exit (Flat) Capacity, it follows that they should be able to vary it in the same way that Shippers do.

Chapter 5 of the NTS Exit Capacity Release Methodology Statement

We believe that the NTS Exit Capacity Release Methodology Statement is misleading because Chapter 5 which is about NTS Exit (Flexibility) Capacity, which is only available to DNO Users, refers to the ability of Shippers to obtain flexibility by variations to their Flat capacity by means of OPNs. Variations to Flat capacity by Shippers has nothing to do with the availability of NTS Exit (Flexibility) Capacity to DNO Users.

We suggest that there should be a separate chapter on obtaining flexibility, this should

- define the types of flexibility available
- combine the relevant parts of chapter 5 and the Short Term Access to System Flexibility Allocation Methodology
- remove the existing inconsistencies between sections of the NTS Exit Capacity Release Statement and the Short Term Access to System Flexibility Allocation Methodology

This proposed chapter should describe the process for using OPNs to obtain variations in capacity and should clearly demonstrate that Shipper and DNO Users applying for flexibility are the same.

Smell gas? Call us!
Aroglï nwy? Ffoniwch ni!

0800 111 999

All calls will be recorded and may be monitored
Bydd yr holl alwadau'n cael eu cofnodi ac
fe allant gael eu monitro



Wales & West Utilities Limited
Registered Office:
Wales & West House, Spooner Close, Celtic Springs,
Coedkernew, Newport NP10 8FZ
Registered in England and Wales number 5046791

Availability and definition of short term flexibility

The diagram on page 15 of the NTS Exit Capacity Release Methodology Statement consultation under NTS Exit (Flat) Capacity states that any variations must not exceed limits on the rate of offtake made in respect of the connection (usually in the NEXA)

Chapter 5 of NTS Exit Capacity Release Methodology Statement refers to the Short Term Access to System Flexibility Allocation Methodology. This is described as outlining the approach to towards enabling short term access to system flexibility over and above User's prevailing entitlements.

Paragraph 2 of the Short Term Access to System Flexibility Allocation Methodology states that short term system flexibility means access to gas made available for offtake at a shorter period of notice and/or a greater rate of change than that described within the UNC and / or in offtake specific agreements such as NExAs, CSEP NExAs, interconnection agreements and Storage Connection Agreements.

Paragraph 6 of the Short Term Access to System Flexibility Allocation Methodology states that "This methodology defines how National Grid NTS may make short term system flexibility available to Users outside of contractual rights and entitlements where National Grid NTS reasonably anticipates that it will not give rise to an Operational Balancing Requirement"

There are therefore three attempts at defining short term flexibility in general terms :

- over and above User's prevailing entitlements
- access to gas made available for offtake at a shorter period of notice and/or a greater rate of change than that described within the UNC and / or in offtake specific agreements
- outside of contractual rights and entitlements where National Grid NTS reasonably anticipates that it will not give rise to an Operational Balancing Requirement

The of NTS Exit Capacity Release Methodology Statement also contains one clear statement that NTS Exit (Flat) Capacity (which for Shipper Users is the only product that can be varied)

- must not exceed limits on the rate of offtake made in respect of the connection (usually in the NEXA)

We suggest that these cannot all be correct and that a clear statement of what short term flexibility is or is not is required.

Given this lack of clarity, there is, not surprisingly, no attempt made to define the products associated with short term flexibility for example:

- changes to notice periods,
- changes rate of offtake within a day but with the volume the same,
- changes to total daily volume

Until these points are clarified, it is difficult for NTS to demonstrate that it makes flexibility available to all Users equitably.

Smell gas? Call us!
Aroglï nwy? Ffoniwch ni!

0800 111 999

All calls will be recorded and may be monitored
Bydd yr holl alwadau'n cael eu cofnodi ar
fe allant gael eu monitro



Wales & West Utilities Limited
Registered Office:
Wales & West House, Spooner Close, Celtic Springs,
Coedkernew, Newport, NP10 8FZ
Registered in England and Wales number 5046791

Transparency

We also think that NTS should publish figures on the number of applications received from each type of User under the Short Term Access to System Flexibility Allocation Methodology and how many were accepted and rejected for each type of User.

In essence flexibility provided under the Short Term Access to System Flexibility Allocation Methodology is the same whether the customer is a Shipper at an NTS directly connected site or a DNO User, therefore the process should be the same for both. Treating requests from DNO Users as requests to vary NTS Exit (Flexibility) Capacity and those from Shippers as requests to vary NTS Exit (Flat) Capacity and applying what seems to be different rules to each is not transparent.

Yours sincerely,



Bethan Winter
System Operations Manager
Wales & West Utilities

Smell gas? Call us!
Aroglu nwy? Ffoniwch ni!

0800 111 999

All calls will be recorded and may be monitored.
Bydd yr holl alwadau'n cael eu cofnodi ac
fe allant gael eu monitro



Wales & West Utilities Limited
Registered Office:
Wales & West House, Spooner Close, Celtic Springs,
Coedkernew, Newport NP10 8FZ
Registered in England and Wales number 5046791