

Document revision history

Version Number	Date of Issue	Notes on changes		
1.0	October 2018 Document creation			
2.0	April 2024 National Gas rebrand			
3.0	February 2025	Revision to 'Where can I get a Capacity Indicator?' to account for the new Gas Customer Hub, and minor changes throughout the document for consistency and readability.		

Contents

Introduction	4
Capacity Indicator - FAQs	
What are Capacity Indicators?	
What do they mean?	
How and when are they are used?	
Where can I get a Capacity Indicator?	7
Who can get a Capacity Indicator?	7
Can Capacity Indicators change?	7
Why do Capacity Indicators change?	8
Contact us	9

Introduction

Background

This guide has been created to help you understand 'Capacity Indicators'. Capacity Indicators can be requested from us by submitting a draft application for a Planning & Advanced Reservation of Capacity Agreement (PARCA), and prior to submitting a Competent PARCA Application¹ for the purpose of reserving NTS Capacity on the National Transmission System (NTS), should you wish to do so.

The guide should be read alongside the 'Planning & Advanced Reservation of Capacity Agreement (PARCA) – a guide for customers' document, updated as of April 2024, which can be found on our website at;

https://www.nationalgas.com/reserving-capacity-parca-and-cam

A PARCA is a multi-phased bilateral contract between National Gas and a customer which allows firm Quarterly System Entry Capacity and/or firm Enduring Annual NTS Exit (flat) Capacity to be reserved for the customer while they develop their own project.

The rules and processes relating to NTS Capacity, and PARCAs, are defined with the <u>Uniform Network Code (UNC) – Transportation Principal Document (TPD) Section B – System Use & Capacity</u>. Section B1.14 to B1.18 relates specifically to PARCAs.

Our 'Gas Transmission Capacity Guidelines – a customer guide' document contains information on the entry and exit capacity processes in a more accessible format, and can be found on our website at;

https://www.nationalgas.com/capacity

Implementation

Capacity Indicators were an output of our Customer Low Cost Connections (CLoCC) Project. This was a Network Innovation Competition (NIC) project with the objective of reducing the time and cost of a connection to the NTS, which ultimately led to the introduction of the 'Standard Design Connection'.

A modification to the UNC was made to further the alignment of the already exiting PARCA process to the connection process for a Standard Design Connection.

Modification 0628s was implemented with effect from 30th October 2018, and introduced Capacity Indicators into the UNC defined PARCA process.

https://www.gasgovernance.co.uk/index.php/0628

It should be noted that a connection application is not a pre-requisite for a request for a Capacity Indicator nor a PARCA Application to be submitted by you and accepted by us.

¹ Uniform Network Code, Transportation Principal Document, Section B – System Use & Capacity, para 1.15.4

Capacity Indicator - FAQs

What are Capacity Indicators?

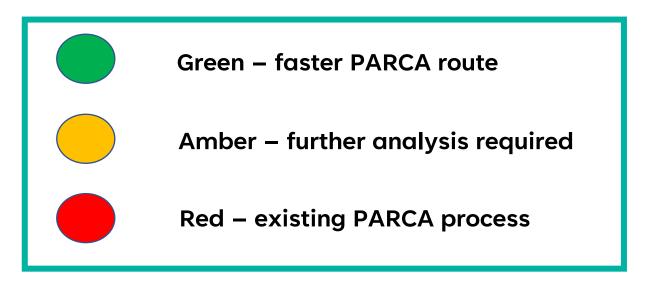
'Capacity Indicator' is defined in the UNC as follows:

In relation to a PARCA Application a "Capacity Indicator" is a classification (green, amber or red) assigned to a PARCA Application following our initial assessment of whether, or not, we expect to be able to make available the NTS Capacity from existing NTS capability.

A Capacity Indicator can be Green, Amber or Red.

A Capacity Indicator can have the state of:

- Indicative the initial Capacity Indicator requested from us and provided to you, prior to you submitting a Competent PARCA Application will be classed as 'Indicative'
- Assigned Following receipt of a Competent PARCA Application, a subsequent Capacity Indicator will be provided and classed as 'Assigned'.



What do they mean?

A Green Capacity Indicator means we expect to be able to make the NTS Capacity available from existing NTS capability.

An Amber Capacity Indicator means we need to undertake further analysis before we can determine whether, or not, we expect to be able to make NTS Capacity available from existing NTS capability.

A Red Capacity Indicator means that we expect not to be able to make available the NTS Capacity from existing NTS capability. This does not mean the release of NTS capacity is not possible, but that it will take longer as reinforcement to the NTS may be required.

A Capacity Indicator can change at various stages of the process as outlined later in this document.

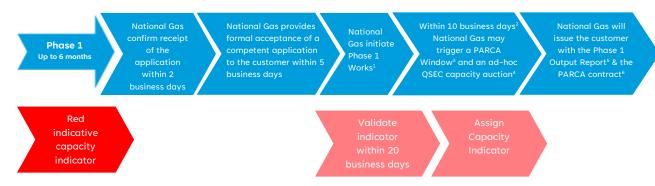
How and when are they are used?

Indicative Capacity Indicators are used in the Pre-application stage of PARCA to inform the customer of the expected timeline for the PARCA process and to set the application fee.

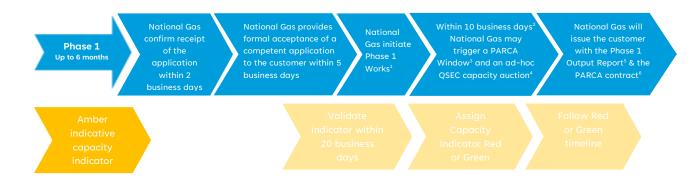
On Application, an Indicative Capacity indicator is validated by National Gas and a Capacity Indicator is assigned.

In relation to the PARCA Phase 1 Works timeline, the Capacity Indicator will be in parallel as follows:

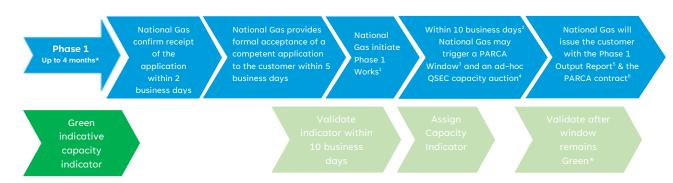
Red Capacity Indicator timeline



Amber Capacity Indicator timeline



Green Capacity Indicator timeline



^{*}If Red. follow Red timeline

Who can request a Capacity Indicator?

Any potential PARCA Applicant e.g., NTS (Shipper) User, DNO Users or even a person connecting to a Distribution Network² can request a Capacity Indicator.

Where can I get a Capacity Indicator?

An Indicative Capacity Indicator can be requested by completing a draft PARCA Application form in our Gas Customer Hub. You need not submit the application formally, just save it as draft. The Gas Customer Hub can be found on our website at;

https://customerhub.nationalgas.com/s/

The Gas Customer Hub does not automatically alert us to applications submitted as draft. We would recommend that a person requesting a Capacity Indicator, and wanting a quicker response from us, informs us of their draft application being ready to assess. Please email a member of the team, or Box.UKT.customerlifecycle@nationalgas.com.

We will perform our initial assessment and provide you an Indicative Capacity Indicator.

Can Capacity Indicators change?

Yes, Capacity Indicators can change.

Initially, an Indicative Capacity Indicator is provided following the provision of a draft PARCA Application.

When a PARCA Application is formally submitted, it will need to become a Competent PARCA under the UNC, prior to a Capacity Indicator being 'Assigned'.

During the Phase 1 PARCA Works a PARCA Application assigned with a green Capacity Indicator may be reassigned with a red Capacity Indicator where:

- (a) We determine, acting reasonably, that for reasons outside our control, we will require up to six (6) months to complete the Phase 1 PARCA Works; or
- (b) Because of further PARCA Applications received during the PARCA Window (in relation to the PARCA Application), we require to undertake additional network analysis for the purposes of completing the Phase 1 PARCA Works.

The Capacity Indicator can change between these stages. An example of how this could change is given below along with the scenarios of the multiple combinations.

Indicative – Amber

Assigned - Green

Following PARCA Window - Red

 $^{^{2}}$ Where that Capacity Indicator or PARCA is in relation to an already existing NTS/DN Exit Point.

Option	Indicator	Validation	Window	PARCA Stage 1 impact
A: Green no apps				Best case – shorter
in window				window can offer
				quickest.
B: Green apps in				Window open longer but
window, stays				can potentially offer after
Green				window closed. Green
				timeline.
C: Green apps in				App turn Red due to
window turn Red				another app in the
				window interacting. Red
				timeline.
D: Green/Red				Green is validated a Red.
				Unlikely but possible. Red
				timeline.
E: Amber/Green				Amber is validated as
				Green and stays Green.
				Green timeline.
F: Amber / Green				Amber is validated as
/ Red				Green but after window is
				Red. Red timeline.
G: Amber / Red				Amber validated as Red.
				Red timeline.
H: Red				Red timeline

Why do Capacity Indicators change?

Due to the ever-updating nature of our background data, capacity indicators are subject to change. This could be for a variety of reasons, non-exhaustively listed below;

- An existing PARCA Application entering Phase 1 (it may be that one or more existing or new PARCA Applications).
- A PARCA Application exiting Phase 1 (such that NTS Capacity could be reserved for that PARCA).
- Termination of a PARCA (this could have a long-term effect on NTS capability and / or freeing up doner NTS Capacity).
- Long Term NTS Capacity bookings (e.g. Entry 'QSEC' and/or Exit 'Enduring Annual').

Contact us

If you are considering applying for a PARCA to reserve NTS Capacity or require further information regarding Capacity Indicators or PARCAs after reading this document, please visit our website for further information at:

https://www.nationalgas.com/reserving-capacity-parca-and-cam

or contact us regarding your potential application at:

 $\underline{box.UKT.customerlifecycle@nationalgas.com}$