# National Grid Gas Transmission Stakeholder Engagement Consultation

There are a number of areas where our stakeholders have asked us for further explanation, or we would like to discuss a topic in more depth with stakeholders in order to be able to develop our business plans. We would welcome your thoughts on the questions listed below.

We request that you provide your answers by **5pm on Friday 18th November**. Responses received by this time will be taken account of in our business plan development. When responding can you please provide us with your name, contact details, the name of the organisation you represent and whether your response is confidential.

We have scheduled a workshop for 10th and 11th November, where we will be discussing the topics surrounding the questions below. We would be pleased to welcome you at this workshop where you will have the opportunity to discuss the topics below with National Grid staff, in order to aid your responses to these questions.

If you have any queries please email [talkingnetworkstransmission@uk.ngrid.com](mailto:talkingnetworkstransmission@uk.ngrid.com) or call Graham Frankland on 01926 653667 or Claire Spedding on 01926 655915.

**Responder’s Details**

**Name: ­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Organisation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Contact details: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Is your response confidential? Yes/No**

## Business Plans

Q1. Did you find our business plan documentation easy to navigate?

Q2. Did you find the content contained within our documentation easy to understand?

Q3. What did you particularly like/dislike about the presentation of our plans?

Q4. What improvements could be made in terms of content, structure or format?

Q5. In terms of the business plans themselves did we represent your views and previous feedback correctly? And do you think we have incorporated it into our plans correctly?

## Managing risk and uncertainty

Q6. Do you agree that uncertainty mechanisms should be employed to adjust allowed revenues where the associated costs are uncertain and outside of our control? If not, what other mechanisms do you consider could be appropriate?

Q7. Do you believe that the range of the uncertainty mechanisms proposed is appropriate?

## Charging

Q8. Are predictability and transparency your key concerns in relation to charging? Why?

Q9. Changes to tariffs can be caused through changes to the methodology that dictates how tariffs are calculated, changes to the inputs to that methodology and new products being offered. Which of these factors are of most concern to you?

Q10. Charges are made up of a residual element, changes to which alter the charges all customers pay, and a locational element, changes to which change the relative signals between customers. The predictability of which of these elements is most important to you and why?

Q11. Can we do more to help you understand and predict NTS charges?

Q12. Do you have any suggestions as to how we can improve predictability/transparency?

Q13. Changes to the SO related costs can be caused by the cost of services required by the system operator or the number of those services required. How well are the SO related costs communicated to you?

Q14. Our current understanding is that funding for the provision of incremental capacity will be provided via the TO control and therefore will be subject to the RIIO principles relating to fast/slow money. What impact does this have on you?

## Network Flexibility

Q15. Do you agree or disagree that we should retain the investments in our plan that relate to supplies in Scotland?

Q16. Do you agree or disagree with our proposal that for all other network flexibility investments we continue to do the initial low cost development work, to keep the investment option open. However, with a strong recognition that actual significant investment would only take place if our analysis/ further stakeholder discussion demonstrated that it was the right option (given the range of other rules and tools that might be considered?)

Q17. Do you agree or disagree that our uncertainty mechanisms should provide the industry with sufficient comfort that investment will only go ahead if it has truly been shown to be the best option for UK plc., whilst also enabling options to be kept open at this time?

Q18. How should we take the topics of wind intermittency and developing the 1 in 20 planning obligation forward as an industry?

## Connections and Capacity Processes

Q19. What is most important to you – having capacity available in defined timescales or having a physically firm product?

Q20. Do you agree that the development of a suitable connections process (such as UNC Modification 373) should be prioritised ahead of address the capacity process?

Q21. What is your preference for taking these discussions forward for future development? Through a transmission workstream group, an alternative or new industry group, or via another route?

## System Operator (SO) and Transmission Operator (TO) Interaction

Q22. Do you believe there is sufficient depth and long term certainty in the provision of commercial services to negate the need for large-scale physical reinforcements of the network?

Q23. Commercial solutions have the potential to create volatility charges, whereas investment solutions allow greater certainty. To what extent should theis be taken into account in deciding on the optimal solution?

Q24. Should we consider investment to mitigate environmental impacts beyond that which is required by legislation?

Q25. Should network security (including 1 in 20 obligations) be met through physical/asset solutions only, or should we consider greater risk through SO/commercial solutions?

## SO Incentives

*Electricity procurement for compressors*

Q26. Would in-house trading of the electricity Shrinkage requirement be appropriate for National Grid Gas, as Gas System Operator, to consider as a means to procuring Shrinkage electricity for the RIIO-T1 period?

*Gas Balancing*

Q27. What is driving these increasing levels of imbalance?

*Maintenance*

Q28. Do you consider that a maintenance incentive would have value? If so, what behaviours should any incentive drive?

## Future Engagement

Q29. What have you liked about our Talking Networks engagement?

Q30. What could we have done better?

Q31. What do you like / dislike about the day-to-day stakeholder engagement activities we carry out? For example, the SO Incentives consultation, new transmission route consultations. What else could we do?

Q32. How would your organisation like to be consulted in the future?