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Your Ref: NTS TPC 2014  
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Date: 26 September 2014

Dear Richard,

### **Transmission Planning Code 2014**

On 1 September 2014 you sent us a consultation report on the review of the Transmission Planning Code for 2014. In this letter we explain the purpose of the TPC, our views on the amendments you propose, and our reasons for approving the updated TPC.

### **Background**

Under special condition 7B, National Grid Gas (NGG) is required to maintain, implement and comply with the provisions of the TPC in a form approved by us. The TPC must conform to the requirements in Part A of special condition 7B.

In particular, the TPC<sup>1</sup> must:

- inform network users of technical factors affecting the planning and development of the National Transmission System (NTS);
- give a methodology to determine the physical capability of the NTS;
- state likely developments in the patterns and levels of gas supply and demand on the NTS. It gives assumptions about the operation of the NTS under different gas supply and demand scenarios.

You also have an obligation to review and consult on the TPC every two years, and to send us a report on the outcome of the review and a statement on proposed changes. We then have 28 days to approve the proposed revisions.<sup>2</sup> This year you issued an open letter in March and took part in a number of industry meetings. On 18 July you issued an industry consultation on updates to the TPC and received no response.<sup>3</sup>

### **Proposed amendments to the Code**

We note that you have updated the TPC to make it easier to read and navigate. You expanded the section on the "1-in-20" security standard, giving users more background and detail on how this is calculated. You also made changes to comply with EU regulations and the Uniform Network Code.

### **Our view**

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<sup>1</sup> Special condition 7B, Part A of National Grid Gas Plc's Gas Transporter Licence for the National Transmission System.

<sup>2</sup> Special condition 7B, Part B.

<sup>3</sup> For details of meetings attended, please see NGG's TPC webpage: <http://www2.nationalgrid.com/UK/Industry-information/Future-of-Energy/Gas-Ten-Year-Statement/Transmission-Planning-Code/>.

As you know, since the publication of the TPC we have launched a consultation on licence changes necessary to facilitate the implementation of Planning and Advanced Reservation of Capacity Agreements (PARCAs). This will close on 1 October 2014. We note that the updated TPC you submitted contains no changes for PARCAs. If PARCAs are implemented, we expect you to be in a position to react quickly and consider whether further revisions are needed.

### **Our decision**

Following consideration of the documentation provided and having regard to our principal objective and statutory duties, and for the reasons set out above, we have decided, pursuant to Special Condition 7B, to approve the revised version of the Transmission Planning Code submitted by NGG on 1 September 2014.

Signature

Andrew Burgess

**Associate Partner, Transmission and Distribution Policy**

Signed on behalf of the Authority and authorised for that purpose.