

## **Consultation Report for IUK – NGG Interconnection Agreement**

### **Summary**

This document constitutes the Consultation Report in respect of the IUK – NGG Interconnection Agreement.

There was a single consultation response submitted which related to unbundled capacity arrangements for this Interconnection Agreement. The next step will be for IUK to seek approval for the implementation of the Agreement from the Regulators for the agreement.

At the GB industry engagement session on 2<sup>nd</sup> July a number of questions were raised, around the arrangements for nominations and allocations (including the utilisation of an operational balancing account (OBA)) and the TSOs have provided the answers in this document.

A survey was carried out after the engagement session with 6 responses received – NGG would like to thank those stakeholders that responded. The majority of responses were in agreement that most stakeholders understood how the arrangements would work in future. Although some participants would have liked the Moffat IP arrangements meeting to have taken place on the same day unfortunately, it was not possible or practicable to do this.

### **Consultation Details**

Dates of Consultation 02/07/15 – 30/07/2015

Number of responses received: One

## Table of Responses Received

Shipper/Party	Agreement Section/Condition	Response	IUK Response (To be removed once final response agreed)	NGG Response ( To be removed once final response agreed)	Agreed Final Response
Eon	Unbundled capacity	The only issue where we haven't received any feedback so far is how do TSOs propose to manage unmatched capacities left over with shippers post bundling on 01/11/2015. We do not support the idea of surrendering unmatched capacities and instead prefer an option to buy the other side to match capacities across IPs.		Shippers can bundle legacy/unbundled capacity by applying to the TSOs with effective from 1 <sup>st</sup> November 2015. Where unbundled is offered on one side only, User's can buy it (to match a quantity already acquired on the other side). Surrendering is a User's choice, based on a commercial decision rather than forced upon the Shipper to do so.	

## GB Industry Engagement Q & A Sessions 2<sup>nd</sup> July 2015

The following questions were raised in the session:

### IUK Interconnection Agreement Session

1. What is an Exceptional Event?
  - a. For NGG it is a Transportation Constraint as defined in UNC.
2. Daily nomination (SSN) does this need to specify a start time?
  - a. Yes, nominations start at 05:00 as it is a daily nomination.
3. Can the nomination start later in the day?
  - a. No, however a renomination can.
4. How is the start time requested for a daily nomination?
  - a. The Edigas file contains a field for a renomination time.
5. Is there a 2-hour nomination lead time?
  - a. Yes.
6. What is the OBA tolerance as a percentage of total output?
  - a. IUK 0.012%
7. Will there be a review of the tolerance?
  - a. No formal review period is proposed.
8. When will TSO's settle a Steering Difference?
  - a. Steering Differences will accumulate day by day and will be allocated to the OBA. In the event of a Non-OBA day (Proportional Allocation) the Steering Difference will be allocated to Users.
9. What format will Shippers be informed of an Exceptional Event?
  - a. The Interconnection Agreement captures TSO to TSO communications. Shippers will continue to receive messages via handsets, although NGG will be reviewing the process in light of the Interoperability Code requirements later this year.
10. When will the reference conditions change?
  - a. NGG Phase III release planned for April 2016, at the latest for 1<sup>st</sup> May 2016 when INT Code is implemented.
11. How does the hourly matching work with a renomination?

- a. A renomination must comply with negative implied flow rate rule i.e. cannot nominate for less than has already flowed (based on 1/24 and however many hours have already passed). In terms of matching the hourly and daily nominations, any daily quantities will be disaggregated into hourly values with matching taking place at this level of granularity. Matched hourly quantities will be re-aggregated into daily values for GB Shippers
12. What are the contingency arrangements?
- a. Information is available at:  
[http://www.gasgovernance.co.uk/sites/default/files/Contingency%20Arrangements%20JAG\\_040615\\_FINAL.pdf](http://www.gasgovernance.co.uk/sites/default/files/Contingency%20Arrangements%20JAG_040615_FINAL.pdf)
13. When will the Bacton Agent terminate?
- a. Bacton Agent currently terminates 30<sup>th</sup> September 2016, an early termination requires a months notice period
14. When is Edigas going to be implemented?
- a. NGG and IUK will be using Edigas from 30<sup>th</sup> September 2015 for D-1 nomination for TSO to TSO communications and Shippers will continue using GEMINI.
15. What happens when there is a default nomination?
- a. No matching occurs therefore, the default nomination will be deemed as zero.
16. Can a nomination/renomination be negative?
- a. No, it cannot. All nomination quantities must be positive and specify the direction of flow.

## Survey Responses – IUK & BBL Engagement Meeting

Question 1 - Was it made clear how the Interconnection Agreements are affected by the EU Network Codes?		
Answer Options	Response Percent	Response Count
Yes	83.3%	5
No	0.0%	0
Partially	16.7%	1

**Analysis** – Majority understood the reasons for changes to the agreements.

Question 2 - Do you understand the principles of the OBA arrangements?		
Answer Options	Response Percent	Response Count
Yes	100.0%	6
No	0.0%	0
Other (please specify)		0

**Analysis** – OBA arrangements were fully understood by all respondents.

Question 3 - Was it made clear when Proportional Allocation will apply and how it will work?		
Answer Options	Response Percent	Response Count
Yes	83.3%	5
No	16.7%	1
Other (please specify)		0

**Analysis** – Majority understood the principles of proportional allocation.

**Question 4 - Was the consultation process adequately explained?**

Answer Options	Response Percent	Response Count
Yes	100.0%	6
No	0.0%	0
Other (please specify)		0

**Analysis** – The consultation process was fully understood.

**Question 5 - Was there anything you thought would be covered that wasn't?**

Answer Options	Response Count
	2
<b>Comments</b> No Some screenshots of new Gemini screens and how the matching data will look would have been useful.	

**Analysis** – Comment received that Gemini screens would have been useful however the screens are not directly relevant to the presentation on the agreements.

**Question 6 - Did this event meet your expectations?**

Answer Options	Response Percent	Response Count
Yes	100.0%	6
No	0.0%	0
If not why not?		0

**Analysis** – All responses confirmed that the meetings met their expectations.

Question 7 - Which IA presentations did you attend?		
Answer Options	Response Percent	Response Count
IUK & BBL	100.0%	6

**Analysis** – All 6 respondees attended both sessions.

Question 8 - What else could we do to aid your understanding of the changes to the IAs?	
Answer Options	Response Count
	1
<b>Comments</b> Nothing	

**Analysis** – No comments received for anything which might have aided a better understanding of the changes.

### Question 9

Do you intend to submit a consultation response?		
Answer Options	Response Percent	Response Count
Yes	50.0%	3
No	50.0%	3
Other (please specify)		0

**Analysis** -3 out of 6 said they would be submitting a response.

**Question 10**

Please supply any other feedback related to the IA consultation sessions?	
Answer Options	Response Count
	3
Comment	
I like the sessions and found them informative. My only concern is the timelines which are very short in the run up to go live.	
It would have been good if the Moffat session could have been held on the same day.	
I thought the presentation was detailed enough and I was pleased you had the subject experts on hand to answer all questions asked.	

**Analysis** – There were 3 responses with 2 positive comments suggesting that the sessions were useful and informative. The feedback mentioned that it would have been useful to have the Moffat engagement session on the same day. It was not possible to plan all of the meetings to occur within the same day due to continuing negotiations. Moffat IP arrangements are more intricate and required additional Tripartite Agreements to be agreed which took additional time. A further comment stated that it was concerned with tight timescales prior to 1<sup>st</sup> October. National Grid and the Adjacent TSOs have been working within challenging timescales to produce revised agreements to reflect changes brought about by the EU Network Codes. The agreements were presented to the industry as soon as it was practical to do so.