

National Grid
National Grid House
Gallows Hill
Warwick
CV34 6DA



21 August 2015

NTS Gas Charging Discussion Document: NTS GCD11 – Updating the cost inputs to the NTS Optional Commodity Charge function

BG would like to thank National Grid for the opportunity to respond to the discussion document NTS GCD11, in which it proposes to make changes to the inputs to the NTS Optional Commodity Charge. We would like to take this opportunity to provide our views on the suggested changes.

While we appreciate that the formula has remained the same since its introduction in 1998, we do not believe that now is an appropriate time to make any adjustments. BG's preference would be for any review to be conducted once there is clarity on the requirements of the TAR network code. Any subsequent alterations required can be made knowing they are in compliance with TAR. This would avoid making piecemeal changes that may need to be overhauled again in the near future.

The UK gas industry is already faced with a significant amount of change resulting from the implementation of EU network codes. We would prefer, where possible, not to add further modifications at this time. The market needs time to bed in those changes that take effect in October and November of this year before any further amendments are made.

If a change to the charging formula is to be introduced, BG would like to see a delay to the proposed implementation date, so that any change comes into effect from the start of the following gas year (1st October 2016). Introducing a change part way through a gas year as is currently proposed causes unnecessary uncertainty for those parties finalising contracts for the upcoming gas year.

For the reasons stated above, BG does not support changing the formula for NTS Optional Commodity Charge at this time. If a change is to be made, we would urge National Grid to consider delaying that change for at least six months to the start of the next gas year and preferably until the TAR network code is agreed.

Yours sincerely,


Rachel Turner
Gas Operations Manager