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# **The Statement and Methodology for Gas Transmission Connection Charging**

**Effective from 1 April 2008**

**Document Revision History**

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1.1	October 2005	
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## About this Document

This document describes the methodology that National Grid Gas plc (“National Grid”) in its role as holder of the Gas Transporter Licence in respect of the NTS (the “Licence”) employs to levy charges for connection to the National Transmission System in Great Britain. This document is one of a suite of documents that describe the charges levied by National Grid and the methodologies behind them. The other documents that are available include:

- **Statement of Gas Transmission Transportation Charges**
- **The Statement of the Gas Transmission Transportation Charging Methodology**
- **Incremental Entry Capacity Release Methodology Statement**
- **NTS Exit Capacity Release Methodology Statement**
- **Metering Charging Statement**

These are available on our Charging website at:

<http://www.nationalgrid.com/uk/Gas/Charges/statements/>

This statement is effective from 1 April 2008.

This document has been published by National Grid in accordance with Standard Licence Condition 4B of the Licence and is approved by the Gas and Electricity Markets Authority (the Authority).

If you require further details about any of the information contained within this document or have comments on how this document might be improved please contact our UK Transmission Gas Access and Charging team on **01926 656022** or **01926 656317**. Alternatively you can contact us via email at

<mailto:box.transmissioncapacityandcharging@uk.ngrid.com>

Or by post to:

Transmission Commercial  
National Grid House  
Warwick Technology Park  
Gallows Hill  
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CV34 6DA

Specific connection enquiries should be sent to the address in Annex B.

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## INTRODUCTION

1. This Statement applies to charges determined from the Statement Effective Date and remains effective until superseded by any future Statement, which will be furnished to the Authority and published. It also provides information in support of National Grid NTS' Ten Year Statement in respect of National Transmission System connections.
2. This Statement applies exclusively to connections to, modification of, disconnection of, or diversions of sections of, the National Transmission System. (NTS).
3. Distribution Network (DN) owners (including National Grid plc in its capacity as a DN owner) publish similar statements and the reader is advised to refer to the relevant statement and contact the relevant DN owner regarding works that may involve connections to, modification of, disconnection of, or diversions of sections of any relevant DN pipes.
4. This is a Statement of the principles on which, and the methods by which, National Grid NTS will determine from the Effective Date the charges specified in Standard Condition 4B of its Gas Transporter Licence.
5. This statement is complimentary to National Grid NTS' Incremental Entry Capacity Release (IECR) methodology statement, which details the criteria by which National Grid NTS would release any incremental entry capacity above the previous obligated levels in accordance with National Grid NTS incentives.
6. This statement is also complimentary to National Grid NTS' NTS Exit Capacity Release (ExCR) methodology statement, which details the criteria by which National Grid NTS would release exit capacity for the period up to 30 September 2012<sup>1</sup>. This is in accordance with the Authority's decision, in June 2005, to delay the implementation of the "enduring" offtake arrangements by two years to September 2007 for the release of NTS exit capacity from 1 October 2010 onwards<sup>2</sup> and subsequent decisions to delay implementation to 1 October 2012<sup>3</sup>.
7. This document contains sections which outline how National Grid NTS will charge for diversion of, modification to and disconnection of NTS apparatus. It also includes information about capacity availability.
  - Section 1 describes the principles that National Grid NTS has adopted in respect of its NTS connection charging regime.

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<sup>1</sup> Currently with Ofgem for approval.

<sup>2</sup> 151/05, Ofgem open letter on enduring offtake arrangements, June 2005

<sup>3</sup> Ofgem decision letter on enduring offtake arrangements 116v April 2007, and subsequent letter (as yet unissued).

- Section 2 outlines the methodology that shall be adopted to determine National Grid NTS connection charges.
  - Section 3 contains connection charging examples.
  - Section 4 details NTS diversion, disconnection and modification services, provided by National Grid NTS and describes how they are charged. (This section is not a requirement of Standard Condition 4B; it has been included for the benefit of customers.)
  - Annex A includes a number of key definitions. Annex B contains contact information.
  - Annex C explains some additional points, related to the availability and allocation of NTS capacity. (These are not part of the Licence Condition 4B Statement.)
8. Further information relating to National Grid NTS connection services and the IECR and ExCR methodology statements may be obtained from the National Grid web site, [www.nationalgrid.com](http://www.nationalgrid.com), or by writing to the address given in Annex B.

## SECTION 1 - PRINCIPLES

9. National Grid NTS aims to recover the costs that it reasonably expects to incur when it provides NTS connection services.
10. Charges reflect the cost of labour, materials, and any other expenses required to carry out the work to the customer's requirements including applicable Lane Rental Charges<sup>4</sup>. Each cost element will carry an appropriate level of overhead.
11. National Grid NTS will charge for the design of new NTS connections, and diversions and modifications of existing apparatus. National Grid NTS will also charge for the design of preliminary works and reinforcement upstream of the Connection Charging Point for Exit connections. Design charges will be identified within quotations and will be based upon the anticipated cost of design works. Any design charge in respect of reinforcement may be refunded when the project proceeds.
12. National Grid NTS may carry out work additional to that which is required to meet the requirements of the customer to ensure that it develops the NTS in an economic and efficient manner. Where this occurs, the cost of any additional works will not be charged to the customer.
13. All charges are made subject to the appropriate conditions of contract, which will be made available in respect of specific projects.
14. Bespoke quotations will include any assumptions that are used in the determination of the cost.

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<sup>4</sup> National Grid NTS is obliged to pass on only those costs which have been efficiently incurred

## SECTION 2 - METHODOLOGY

### Connection Design Philosophy

15. National Grid NTS will construct apparatus on a least project cost 'fit for purpose' basis taking into account the customer's requirements and National Grid NTS' relevant Licence obligations. Where there are different fit for purpose design solutions, which meet a customer's requirements, National Grid NTS will normally select the one that is anticipated to have the lowest overall cost of construction. In instances where National Grid NTS selects a solution that has a lower whole-life cost, then National Grid NTS will base the charge to the customer on the solution with the lowest overall cost of construction.
16. The term 'fit for purpose' refers to a design that will safely transport the requisite quantity of gas at an appropriate pressure throughout the life of the apparatus taking into account the Gas Act requirement for economic pipeline system development.

### Connection Work Charging

17. Connection works include Remotely Operable Valve (ROV) installations and system extensions and system reinforcement downstream of the Connection Charging Point for Exit connections.
18. Charges for connection works are calculated using:
  - National Grid NTS direct costs associated with undertaking any connection works and,
  - individually tendered rates (including labour and materials), any special expenses plus overhead costs, as may be appropriate, related to the management of contractors, materials and the general costs of providing connections activities.
19. Charges for connection works include excavation, backfill and reinstatement in the public highway and excavation, backfill and routine reinstatement on private land except where requested otherwise.
20. A chargeable design study will be carried out prior to the quotation of charges for connection works as described in Section 'Connection Design Charges' below.

### Connection Design Charges

21. National Grid NTS will quote for, charge and carry out the design of connection works prior to estimating the cost of constructing any equipment. The design study will be quoted, charged, completed and paid for, before the construction phase is commenced and irrespective of whether the



construction of connection apparatus later takes place.

22. Charges made for connection design works will be calculated on the basis of the cost that National Grid NTS expects to incur, plus overheads, in carrying out such a design and is dependent upon the information provided by the customer, other publicly available information and information relating to the NTS.
23. Where the customer requests National Grid NTS to design a system extension to the customer's premises, National Grid NTS will supply the customer with a copy of the design report once a study has been completed. Should the customer not choose National Grid NTS to construct the system extension, then the customer may use the information in this report, under licence, in respect of the hire of a Utility Infrastructure Provider to construct the pipeline. Should the customer then choose to use a Utility Infrastructure Provider to construct the pipeline, then the customer must inform National Grid NTS and ask for a revised quotation for the final connection/ROV installation (see section 'Design Charges for Reinforcement' below below).

### **Design Charges for Reinforcement**

24. National Grid NTS will quote for, charge and carry out the design of reinforcement design works as may be necessary.
25. The design works may be split into stages e.g. feasibility study, conceptual design study etc. with each stage being quoted, charged, completed and paid for before the commencement of a subsequent phase.
26. The charges will be calculated on the same basis as connection design charges. However, design charges in respect of Exit reinforcement upstream of the Connection Charging Point may be refunded should National Grid NTS subsequently proceed with construction.

### **Remotely Operable Valve (ROV) installations**

27. All NTS connections will include a Remotely Operable Valve (ROV) installation which may be situated either at a point on the NTS, where the customer wishes to construct a pipeline with a view to owning and operating the pipeline (such pipeline would not be a system extension as it would not be owned and operated by National Grid NTS), or to use a Utility Infrastructure Provider to build a pipeline with the intention that it will transfer to National Grid NTS under Taking Ownership of Connection Apparatus arrangements (in which case it would become a system extension) or alternatively at the termination point of a system extension constructed by National Grid NTS. The costs of the ROV installation form a part of the connection charge irrespective of whether the connection is for Exit, Entry or Storage purposes.
28. Where a connection is requested at or adjacent to an existing Entry point

29. (Aggregate System Entry Point), National Grid NTS will at its sole discretion determine the most appropriate connection point taking into account potential costs of connection, future operational costs, security of supply and operational flexibility.
30. National Grid NTS does not provide gas flow and energy measurement equipment.
31. In addition to the equipment provided by National Grid NTS, there are a variety of requirements that a customer must fulfil if it is to have a connection to the NTS. These are not within the scope of License Condition 4B and consequently they are not included within this Statement. Prospective customers should contact National Grid NTS for details using the address in Annex B.

### Gas Quality Instrumentation for Entry and Storage connections

32. All ROV installations that are to be used for the entry of gas to the NTS require Gas Quality Instrumentation to be installed by either National Grid NTS or the customer at the interface between the NTS and the connected Entry/Storage facility (normally at the ROV installation). The costs of National Grid NTS provided Gas Quality instrumentation will form part of the connection charge.
33. National Grid NTS' requirements in respect of the quality of gas entering the NTS are contained in the Transmission Ten Year Statement, which may be obtained from the National Grid web site, [www.nationalgrid.com](http://www.nationalgrid.com), or by writing to the address given in Annex B.

### System extensions and reinforcement for Entry and Storage connections

34. Where connection of Entry or Storage facilities necessitates system extension or reinforcement of existing infrastructure, the associated costs will not be charged to the customer within the connection charge, but will instead be taken into account in the auction price applicable in any capacity auction.
35. Additionally, should a shipper (acting independently or on behalf of a developer that is not a shipper) require capacity rights at a point that is not connected to the NTS, and requires National Grid NTS to provide a system extension from the NTS to the prospective facility, the costs of such system extension will not be charged to the customer within the connection charge, but will instead be taken into account in the auction price applicable in any capacity auction.
36. National Grid NTS will publish a price schedule based on reinforcement and system extension costs against which bids would be assessed in a subsequent long term capacity auction.
37. In accordance with the National Grid NTS Gas Transporters Licence, where National Grid NTS receives a clear signal that sufficient demand exists to

justify the release of incremental capacity, National Grid NTS would expect to release firm capacity rights consistent with the quantities and periods demanded.

38. In respect of existing Entry and Storage points, the price schedules at these prospective points will be based on the methodology established in the National Grid NTS Incremental Entry Capacity Release (IECR) methodology statement and Transportation Charging Statement, which include the principle that price schedules should reflect the level of incremental costs associated with additional gas flows across the NTS. National Grid NTS would not normally expect to allocate capacity rights or undertake physical capacity provision in the absence of a clear auction based signal.
39. Further details can be found in the National Grid NTS published IECR methodology statement, the Transportation Charging Statement and the network code (as defined in Standard Special Condition A3 of National Grid NTS's Transportation Licence, for the allocation process).

### **System Extensions and Reinforcements for NTS Exit connections**

40. System Extensions for Exit purposes are treated as a component of connection apparatus and their costs form part of the connection charge as discussed in section 'Connection Design Charges' above.
41. Reinforcement required to permit the connection of identified new consumers' firm transportation requirements, or to permit an increase in flow rate in respect of an existing consumer or to enable an existing consumer to change from interruptible to firm transportation is known as Specific Reinforcement.
42. National Grid NTS apportions the cost of Specific Reinforcement according to its location in relation to the Connection Charging Point. Specific Reinforcement downstream of the Connection Charging Point is charged to the customer and will form part of the Connection works. National Grid NTS funds Specific Reinforcement upstream of the Connection Charging Point.
43. The Connection Charging Point is the closest economically feasible<sup>5</sup> point on the NTS, which is deemed to have sufficient capacity to supply the new load disregarding existing loads. The Connection Charging Point creates the financial distinction between connection costs that are fully chargeable to the person concerned (ie downstream) and upstream reinforcement costs which may be funded by National Grid NTS subject to any contractual requirements.
44. In respect of where National Grid NTS proposes an alternative route that provides lower overall reinforcement and connection costs, the customer contribution will be based on the lower of:

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<sup>5</sup> A consumer's premises may be closer to a pipeline that is on the 'wrong' side of a significant obstacle (e.g. a river) than it is to another pipeline. In this circumstance the Connection Charging point would be deemed to be on the alternative pipeline as the cost of laying a connection pipe across the obstacle would be prohibitive.

- the overall costs of the alternative route including any associated contribution towards any Specific Reinforcement that is associated with the alternative connection: or
  - the connection costs plus any contribution towards any Specific Reinforcement associated with the original Connection Charging Point route.
45. If the customer insists on making a connection at another point, which represents a sub-optimal NTS development solution, then National Grid NTS will charge the full cost of any associated reinforcement.
46. In respect of NTS Supply Points and NTS Connected System Exit Points, requests for incremental NTS Exit Capacity firm loads (as defined in the ExCR) at existing or new connections more than 586,000,000kWh (20 million therms) per annum (equivalent 1.6m kWh per day) that require Specific Reinforcement will require a DC ARCA.
47. In respect of NTS/LDZ Offtakes, requests for incremental NTS Offtake (Flat) Capacity (as defined in the ExCR) at existing or new connections more than 586,000,000kWh (20 million therms) per annum, (equivalent 1.6m kWh per day), that require Specific Reinforcement will require a DN ARCA. In addition, any request for incremental NTS Offtake (Flexibility) Capacity (as defined in the ExCR) that requires Specific Reinforcement will also require a DN ARCA.
48. It is sometimes necessary for National Grid NTS to upsize a connection or reinforcement pipe beyond that which is required to enable the connection of a load. National Grid NTS does this to ensure efficient development of the NTS. National Grid NTS will do this when the anticipated cost of subsequent reinforcement is greater than the predicted cost of upsizing apparatus, taking into account the time value of money and probability that subsequent reinforcement will be required. Where necessary National Grid NTS will fund the marginal cost of upsizing apparatus that it adopts.
49. In this circumstance National Grid NTS will ask the Utility Infrastructure Provider to quote for the upsizing works and will use this quotation when deciding whether to proceed with upsizing. The person requesting the connection (or increase in load or interruptible to firm load transfer), which will give rise to the reinforcement, must pay for design works prior to their receiving a quotation. Charges for design will include an appropriate level of overhead. If the reinforcement subsequently proceeds and is funded by National Grid NTS, with the load as it was originally proposed, and there has been no substantive change to the environment through which the new apparatus must pass, the person will not have to pay for a subsequent study and may receive their money back.

### Quotation Assumptions

50. Quotations for design and/or connections will include a statement to the effect that the customer, in accepting the quotation will also be accepting that the assumptions are appropriate and understood. If it is determined later that

any stated assumption is significantly wrong, National Grid NTS will decide whether the customer's charge should be varied. In circumstances where the charge is increased, National Grid NTS may cease or delay works pending a customer's agreement to pay the increased charge.

### **Taking Ownership of Connection Apparatus**

51. Subject to the exceptions detailed below and appropriate commercial arrangements, National Grid NTS will take ownership of fit for purpose connection apparatus that is connected to the NTS and that is not intended to be operated by another system operator (e.g. a Connected System Operator that has received a Gas Act derogation).
52. National Grid NTS will not take into ownership:
  - apparatus designed to operate at pressures below those normally found in the NTS upstream of the connection point
  - apparatus that forms part of a system of pipes that includes any apparatus that will become a connected system that will not also be adopted by National Grid NTS
  - gas flow and energy measurement and associated equipment apparatus that is not fit for purpose
53. National Grid NTS will charge for audit work to determine whether connection apparatus, to be installed by a third party and adopted by National Grid NTS, is fit for purpose.
54. Charges will be based upon the cost of employing National Grid NTS staff together with any costs incurred by service providers employed by National Grid NTS.
55. Charges will include an appropriate level of overheads.
56. Customers are strongly advised that they should contact National Grid NTS to explain their intentions and discuss the 'Taking Ownership' procedure before carrying out any works in respect of the design or construction of apparatus that they wish National Grid NTS to take into ownership.

### **Lane Rental Charges**

57. Where they are incurred, National Grid NTS will pass on the cost of efficiently incurred connections related Lane Rental Charges to customers.

### **Bilateral Agreements**

58. As defined in Uniform Network Code National Grid NTS will require a customer to enter into a Supply Point or Connected System Network Exit Agreement (NExA/CSEP NExA), NTS/LDZ Supplemental Agreement, Network Entry Agreement (NEA), Interconnector Agreement or Storage

Connection Agreement (SCA) as appropriate.

### **Connection – Load Size Threshold**

59. Loads (or sources of gas) below 58,600,000kWh (2 million therms) per annum shall not be connected, or be permitted to connect, to the NTS.

## SECTION 3 – CONNECTION CHARGING EXAMPLES

### Connection for Exit - a Power Station

#### 60. Job Details

Power station located in Kent approximately 17.5 km from nearest NTS pipeline

Anticipated annual consumption: 25,500GWh

Anticipated peak flow rate: 307,800 standard cubic metres per hour

Indicative price details (At the time of publication)

Connection apparatus (excluding any System Extension):

Conceptual design	£ 30,000 - £ 50,000
Construction	£ 700,000 - £800,000
<b>Sub Total</b>	<b>£ 730,000 - £850,000</b>

System extension:

Feasibility study	£ 150,000
Construction & design	£ 33,500,000
<b>Sub Total</b>	<b>£ 33,650,000</b>

#### Notes:

1. In this example the Customer would enter into a single design and build agreement for an ROV installation and a system extension pipeline. Within this agreement, the design elements would be charged separately and in advance of the construction works.
2. All costs shown include applicable overheads.
3. The example is for indicative purposes only and may be affected by complications associated with specific projects.
4. The charges shown in this section do not include gas flow and energy measurement equipment, as National Grid NTS does not offer new transmission connection metering installations.
5. Charges shown in these examples do not include VAT, which may be applicable depending upon circumstances.

## Connection for a System Entry Facility

### 61. Job Detail

New offshore gas field

Indicative price details (At the time of publication)

Connection apparatus - ROV:

Conceptual design	£ 30,000 - £ 50,000
Construction	£ 800,000 - £900,000
<b>Sub Total</b>	<b>£ 830,000 - £950,000</b>

#### Notes:

1. In this example the Customer would enter into a design and build agreement for a ROV installation located immediately downstream of the system extension pipeline. Within this agreement, the design elements would be charged separately and in advance of the construction works.
2. In this example the customer would provide the Gas Quality Instrumentation to National Grid NTS' satisfaction.
3. The customer would not be asked for a capital contribution towards a system extension pipeline between the NTS and the ROV, or Reinforcement as these would be provided subject to the rules of the IECR methodology statement.
4. All costs shown include applicable overheads.
5. This example is for indicative purposes only and may be affected by complications associated with specific projects.
6. The charges shown in this section do not include gas flow and energy measurement equipment, as National Grid NTS does not offer new transmission connection metering installations
7. Charges shown in these examples do not include VAT, which may be applicable depending upon circumstances.



## **SECTION 4 – DISCONNECTION, DIVERSION AND MODIFICATION OF GAS CONNECTION APPARATUS**

62. In general National Grid NTS will follow the same principles that it applies to connection works in respect of disconnection, diversion and modification services.
63. National Grid NTS will not charge the additional cost where it carries out works, which are in addition to those required to fulfil the requirements of a customer and which are designed to enhance the NTS.

### **Disconnections**

64. National Grid NTS will charge the cost that it reasonably expects to incur. Charges will include appropriate overheads.

### **Diversions and Modifications**

#### **Services provided**

65. National Grid NTS will divert sections of the NTS subject to appropriate commercial arrangements. Charges will be levied in the same way as for chargeable connection works.

## Annex A – Definitions

1. The **Connection Charging Point** is the closest economically feasible point on the NTS, which is deemed to have sufficient capacity to supply the new load disregarding existing loads. The Connection Charging Point creates the financial distinction between connection costs that are fully chargeable to the person concerned (ie downstream) and upstream reinforcement costs which may be funded by National Grid NTS subject to any contractual requirements.
2. **Connection Costs** are the costs of physical connection works, which always include the costs of a ROV installation and may, for Exit connections, include system extension costs and Specific Reinforcement costs downstream of the Connection Charging Point.
3. **DC ARCA** stands for **Direct Connect Advanced Reservation of Capacity Agreement**. A DC ARCA is required when a firm load at an NTS Supply Point or NTS Connected System Exit Point is to be registered (this includes firm load increases and interruptible to firm transfers) for incremental NTS Exit Capacity requests that exceed 586,000,000kWh (20 million therms) per annum in aggregate that require Specific Reinforcement upstream of the charging point. A DC ARCA will oblige the person making the connection (or load increase or transfer) to either ensure that their Registered User apply for firm capacity (in respect of their supply point, to at least the level of the DC ARCA) or to pay National Grid NTS an appropriate amount to compensate for the loss of transportation revenue. In turn, the DC ARCA obliges National Grid NTS to accept the nominated Registered User's applications for capacity up to the level stated in the DC ARCA, and incur failure to make gas available for offtake payments as defined in the Uniform Network Code in the event of unavailability of such capacity. Each DC ARCA will remain in force for the time specified within it.
4. **DN ARCA** stands for **Distribution Network Advanced Reservation of Capacity Agreement**. A DN ARCA is required when NTS Offtake (Flat) Capacity or NTS Offtake (Flexibility) Capacity is to be registered at an NTS/LDZ offtake for incremental NTS Offtake (Flat) Capacity that exceed 586,000,000kWh (20 million therms) per annum, and for any incremental NTS Offtake (Flexibility) Capacity, that require Specific Reinforcement. A DN ARCA will oblige the relevant DN Owner to either ensure that they apply for the capacity (in respect of their NTS/LDZ offtake, to at least the level of the DN ARCA) or to pay National Grid NTS an appropriate amount to compensate for the deemed loss of transportation revenue. In turn, the DN ARCA obliges National Grid NTS to accept the DN Owners applications for capacity up to the level stated in the DN ARCA, and incur

failure to make gas available for offtake payments as defined in the Uniform Network Code in the event of unavailability of such capacity. Each DN ARCA will remain in force for the time specified within it.

5. A **Design Study** is the design work, which must occur before construction works can commence. Projects may require several stages of Design Works, e.g. a project may require a feasibility study before it is possible to proceed to a detailed design study.
6. **Design works** can be defined as the preparatory work required before the Physical Connection activity can commence.
7. A **Disconnection** occurs when an existing connecting pipe is disconnected.
8. A **Distribution Network (DN)** is a geographically defined network of distribution pipes, typically comprising interconnected local transmission, intermediate pressure, medium pressure and low pressure networks, connected to and downstream of the NTS (see Special Condition C8A of National Grid NTS's Gas Transporter Licence for formal definition).
9. A **Diversion** is a change made to the route of an existing pipeline or the relocation of other gas transportation (not normally connecting pipe associated) assets.
10. **Entry** connections: connections to delivery facilities processing gas from gas producing fields or, LNG vaporisation (i.e. importation) facilities, for the purpose of delivering gas into the NTS.
11. **Exit** connections: connections that allow gas to be offtaken from the NTS to premises (a 'Supply Point'), to Distribution Networks or to Connected System Exit Points' (CSEPs). There are several types of connected system including:
  - A pipeline system operated by another gas transporter
  - Any other non-National Grid NTS pipeline transporting gas to premises consuming more than 2,196MWh per annum.
12. **Gas Quality Instrumentation** comprises instrumentation that may be installed by either the customer or National Grid NTS at the ROV Installation to monitor compliance of gas entering the NTS with legislative and contractual specifications.
13. **Incremental exit capacity is as defined in Paragraph 1 of Special Condition C18 of National Grid's NTS GT licence**

14. A **Modification** is any change made to an existing connecting pipe, and associated equipment.
15. **National Transmission System (NTS)** is that part of the pipeline system for the time being designated by National Grid NTS as such and described in the National Grid NTS Ten Year Statement.
16. **NTS Offtake (Flat) Capacity** and **NTS Offtake (Flexibility) Capacity** are as defined in the Uniform Network Code – Transportation Principle Document Section B1.2.3 (d).
17. An **NTS/LDZ Offtake** is the exit connection from the NTS to a Distribution Network as defined in the Uniform Network Code - Transportation Principle Document Section A3.4.3.
18. **Reinforcement:** National Grid NTS must ensure that the NTS has sufficient capacity to supply new and existing demands at the applicable pressures and to transport new and existing gas supplies. NTS pressures affected by the connection of a new load (or an interruptible to firm load transfer or an increase in load at an existing connection) may cause National Grid NTS to need to reinforce the NTS, prior to the load/supply coming on stream. This reinforcement may take the form of new pipelines being laid or the installation or modification of other equipment to increase the pressure within the NTS.
19. **Specific Reinforcement** is that investment that would not be required if the incremental exit capacity was not to be supplied.
20. A **Remotely Operable Valve (ROV)** installation comprises the apparatus, constructed by National Grid NTS, at the interface between the NTS and apparatus provided by a third party and will typically include a valve with remote operation actuation, full bore bypass and telemetry. ROV Connection apparatus will remain in National Grid NTS ownership irrespective of the ownership of the up/downstream system
21. **Storage** connections: connections to Storage facilities for the purpose of offtaking gas from the NTS and delivering it back at a later date.
22. A **System Extension** is a new connecting pipeline, constructed by National Grid NTS, that runs from the existing NTS to a location specified by the customer. System extensions terminate with a ROV installation.
23. A **Utility Infrastructure Provider (UIP)** is an organisation which designs and constructs gas infrastructure for adoption by Gas Transporters (They may also offer to construct other utility related equipment e.g. a water service pipe and / or install gas appliances and / or offer other services.).

## **Annex B – Contact information**

### **Address for specific connection enquiries**

Any enquiries relating to this statement should be sent to the address given below.

Mike Thorne  
Gas Customer Manager  
NG House  
Warwick Technology Park  
Gallows Hill Warwick CV34 6DA

[www.nationalgrid.com](http://www.nationalgrid.com)

### **Complaints**

In the first instance complaints should be raised with National Grid NTS.

If it ultimately proves necessary to refer the matter to Ofgem for a determination correspondence should be addressed to:

The Chairman  
The Gas and Electricity Markets Authority  
Office of Gas and Electricity Markets  
9 Millbank London SW1P 3GE

## **Annex C – Additional Points Relating to Capacity**

### **Capacity booking**

The provision of a connection to the NTS does not confer any rights on a party to offtake or introduce gas. Gas may only be offtaken / introduced by a Registered User who is a party to the network code and has been licensed by the Gas and Electricity Markets Authority to do so.

### **Allocation of available capacity**

National Grid NTS will make capacity available in accordance with the network code and the National Grid NTS IECR and ExCR methodology statement rules.