

NATIONAL GRID GAS
UPDATE TO THE STATEMENT OF GAS TRANSMISSION
CONNECTION CHARGING
INFORMAL CONSULTATION DOCUMENT

20th December 2017

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 Gas Connections Contract Manager

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Appendix 1	Draft Document – The Statement for Gas Transmission Connection Charging Rev 5	Separate Document
Appendix 2	Response Proforma Document	Separate Document

1.0 EXECUTIVE SUMMARY

This document is being issued by National Grid Gas plc (“National Grid”) in its role as holder of the Gas Transporter Licence (the “Licence”) in respect of the National Transmission System NTS.

This document sets out for discussion National Grid’s proposal for updating The Statement of Gas Transmission Connection Charging, (the “Charging Statement”) in respect of the NTS Connection Application Fee Charges.

This informal consultation document is being issued to industry to obtain views and comments for the introduction of a new Connection Application category for:-

- Project CLoCC Customer Pilot

The consultation response proforma document is available in appendix 2. The closing date for submission of your responses is 19th January 2018; however we welcome any responses ahead of this date.

2.0 GOVERNANCE FOR UPDATING THE STATEMENT OF GAS TRANSMISSION CONNECTION CHARGING

Updates and any amendments to the Statement of Gas Transmission Connection Charging are consistent with the Application to Offer process (A20) (i.e. UNC Mod 0373, under Section V13.1.1b). National Grid is not proposing any changes to the PARCA Application fees at this time.

3.0 OVERVIEW OF THE CURRENT APPLICATION FEE STRUCTURE

Current Connection Application Structure/ Fees

Category	Timescales to provide a Full Offer	Application for a new NTS minimum offtake connection in a ‘green-field’ site	Application for any other category of new or existing NTS Connection		
		Exit	Entry	Exit	Storage
Simple Connection	Up to 6 months	£73,000*	n/a		
Medium Connection	Up to 9 months	n/a	£151,000 [#]		
Complex Connection	Up to 9 months	n/a	£449,000 [#]		
Disconnection	Up to 6 months	n/a	£73,000 [#]		
Decommissioning	Up to 9 months	n/a	£157,000 [#]		

Minor Modifications	Up to 6 months	n/a	£52,000 ^{##}
<p>*Feasibility studies are not required for this category type</p> <p># A feasibility study is required for this category type and the cost is included in the Application Fee.</p> <p>## A Ramp Rate study (and/or Transient Study where appropriate) is required for this category type, the cost is included in the Application Fee</p>			

4.0 PROJECT CLOCC BACKGROUND

Project CLoCC was successful in securing £4.8m Network Innovation Competition funding in 2015. Project CLoCC was fully mobilised in February 2016 following receipt of its Ofgem Direction in December 2015. This three-year project aims to minimise the time and cost of making connections to the National Transmission System. Our core objectives are to reduce the cost of a connection to less than £1M and the timeframe of making a connection to less than 12 months.

The project is now seeking interest from parties wishing to become the Project CLoCC pilot customer. Completing testing of project outputs at a connection site in collaboration with a customer would provide valuable proof of concept prior to project completion in October 2018.

The project is seeking a pilot customer to collaborate and proactively support the project team in their innovative efforts. As with any innovative venture flexibility is essential to ensure the project continues to progress in a positive direction.

1. Due to the innovation funding received for the Project and to prevent duplication of monies recouped by National Grid, the awarded party will not be required to financially contribute for the following elements of the standard gas connections process:
 - A. Application Fee
 - B. Conceptual Design Study
2. The awarded party will be expected to financially contribute a 100% portion to the following elements of the gas connections process:
 - C. Construction Works (including Detailed Design, Build, Testing and Commissioning)

5.0 CHARGING STATEMENT ADDITIONAL CATEGORY

To facilitate point 1 (above) Project CLoCC has requested that National Grid Gas Ltd as plc (“National Grid”) in its role as holder of the Gas Transporter Licence (the “Licence”) in respect of the National Transmission System NTS updates The Statement of Gas Transmission Connection Charging, (the “Charging Statement”) in respect of the NTS Connection Application Fee Charges.

The proposed new category is Project CLoCC Customer Pilot.

The proposed application fee will be £0.00.

The exclusive opportunity to become a pilot customer for Project CLoCC will contribute to the overall delivery of this NIC funded innovation project due to complete by October 2018.

As noted above Project CLoCC was awarded £4.8 million in NIC funding in December 2015. In order to prevent duplication of monies recouped by National Grid, Project CLoCC proposes the aforementioned additional category in order to ensure that the awarded pilot customer will not be required to financially contribute to an application fee. The additional category, with zero fee, reflects the fact that no additional costs will be incurred by National Grid.

Outputs from project CLoCC are expected to be delivered into National Grid business as usual from October 2018. An additional category to reflect the costs for a connection application that utilises the standardised designs developed by this innovation project will be consulted upon with industry in the near future. For the avoidance of doubt, this fee will not be zero. A zero fee is only applicable to a CLoCC Customer Pilot for the reasons stated above.

6.0 IMPLEMENTATION TIMESCALES

The estimated timeline for implementation of the proposed updates to the charging statement are:-

Issue Informal Consultation Document	20 th December 2017
Informal Consultation Period	20 th December 2017 to 19 th January 2018
Informal Consultation Closed	19 th January 2018 10.00hrs
Response Review Period	Commence 22 nd January 2018
Notice of Change Issued	26 th January 2018
Notice Period	26 th January – 26 th February 2018
Updated Charging Statement effective from	1 st March 2018

7.0 RESPONSES

Please complete and submit the response proforma document (*Appendix 2*) no later than 10:00 hrs 19th January 2018, to Claire Gumbley, Gas Connections Contract Manager, claire.gumbley@nationalgrid.com, however we welcome any responses ahead of this date.

If in the event you have any queries please contact Claire Gumbley directly using the email address above or 07717 807807. Information arising from the consultation will be shared with Ofgem and aggregated feedback will be shared at the Transmission Workgroup.

APPENDICES

- 1.0 Draft Document – The Statement for Gas Transmission Connection Charging Rev 6
- 2.0 Response Proforma Document