

Consultation on Capacity Methodology Statements

Conclusions Report

27th December 2024

Executive Summary

National Gas Transmission's Gas Transporter Licence in respect of the NTS ("the Licence") sets out obligations to develop and modify the following statements:

- Entry Capacity Release Methodology Statement ("ECR");
- Exit Capacity Release Methodology Statement ("ExCR");
- Entry Capacity Substitution Methodology Statement ("ECS");
- The Exit Capacity Substitution and Revision Methodology Statements (combined as one statement, the "ExCS"); and
- The Entry Capacity Transfer and Trade Methodology Statements (combined as one statement, the "ECTT").

together, the 'Capacity Methodology Statements' defined in Special Conditions 9.17 and 9.18.

National Gas Transmission proposed to introduce the changes in the attached tables. In summary these are described below:

Entry Capacity Release Methodology Statement ("ECR");

Clarifications to the existing process which have been identified during the experience of using the NPV test, without changing the fundamental principles at this stage. An additional supporting NPV Guidance document has also been published alongside the ECR.

Exit Capacity Release Methodology Statement ("ExCR")

In reviewing the ECR feedback described above, it was concluded that no clarification changes required to the ECR were relevant to the ExCR. No specific feedback was received regarding the ExCR. In this review only housekeeping updates have been made. A further review linked to ECR will take place in phase 2.

Entry Capacity Substitution Methodology Statement ("ECS");

No specific feedback was received regarding the ECS. Entry Capacity substitution has been rarely used. In this review only housekeeping updates have been made.

Exit Capacity Substitution and Revision Methodology Statements (combined as one statement, the "ExCS");

No specific feedback was received regarding the ExCS. Entry substitution has been rarely used since the last review. In this review only housekeeping updates have been made.

Entry Capacity Transfer and Trade Methodology Statements (combined as one statement, the "ECTT").

No specific feedback was received regarding the ECTT. Entry Capacity Trade and Transfer has been rarely used. In this review only housekeeping updates have been made.

For all statements in addition:

- [National Gas Website references/links](#)
References and links to the National Gas website have been updated to reflect the updated links as a result of our refreshed website which went live on 15th August 2024.
- [General housekeeping](#)
The opportunity taken for the removal of typographical errors found or improvement to readability of the documents.

National Gas Transmission invited all interested parties to comment on the potential revisions to the methodology statement through a formal consultation process that lasted for four weeks and concluded on the 13th December 2024. This consultation was publicised to the energy industry through email via both the National Gas distribution list (replacing the previous Energy Network Association communications) and the Joint Office of Gas Governances' mailing lists, as well as being raised as additional business during the Joint Office's Transmission Workgroup in August 2024 to explain the phased approach and timelines.

Upon the closure of the formal consultation period, National Gas Transmission had received no consultation responses. An opportunity for informal consultation had also been provided prior to this which also received no responses.

Derogation from independent examination

National Gas Transmission had already sought and received a derogation from the requirement for an independent examination of the proposed changes which was consented to by Ofgem on 21st August 2024 and therefore no independent examination has been conducted for this review.

[Decision on derogation request from NGT on the Capacity Methodology Statements | Ofgem](#)

Future review – 'phase 2'

This review was a phased approach with this being phase 1. We have commenced with Phase 2, as planned and in parallel, with a pre-modification discussion on 7th November 2024 at Transmission Workgroup. The Request for the Review of the arrangements for reservation of NTS Capacity [UNC 0901R](#) was raised and approved by UNC Panel on 21st November 2024 to commence a workgroup.

Review workgroups for 0901R will commence in January with the first of 6 workgroups on the agenda for Transmission Workgroup on 9th January, reporting back to panel with recommendations in June 24.

Should you have any queries regarding this report please contact:

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