

Paul Sullivan

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Email: Joseph.Glews@ofgem.gov.uk

Date: 28 May 2024

Dear Paul,

Thank you¹ for submitting the draft Transmission Planning Code (TPC) to us² for approval on 03 April 2024. After careful consideration, we have decided to approve the proposed changes to the TPC. We outline our reasons for doing so below.

Background

Special Condition 9.11 of National Gas Transmission (NGT) Gas Transporter Licence (the Licence) requires you to maintain, implement and comply with a TPC which:

- covers all material aspects relating to the planning and development of the National Transmission System (NTS) that may have a material impact on users of the NTS;
- includes a methodology to determine the physical capability of the NTS; and
- includes detailed planning assumptions about likely developments in the patterns and levels of gas supply and demand on the NTS, and about the operation of the NTS under different gas supply and demand scenarios.

Special Condition 9.11.7-8 of the Licence provides that the Licensee must, if requested by the Authority, and in any event at least once in every two years, review the TPC in consultation with interested parties likely to be materially affected by the review.

Special Condition 9.11.9 of the Licence requires you to send us the following within 28 days of completing the review:

- a report on the outcome of the review;
- a statement on proposed changes to the TPC that would better fulfil the requirements of Part B of Special Condition 9.11;
- any written representations that were received from interested parties.

In accordance with Special Condition 9.11.10, the Authority will:

- a) approve the revisions proposed by the licensee;

¹ The term "you" refers to National Gas Transmission, or the person that submitted the documents on its behalf.

² The terms "the Authority", "Ofgem", "we" and "us" are used interchangeably in this letter. The Authority is the Gas and Electricity Markets Authority. Ofgem is the office of the Authority.

- b) reject the proposed revisions; or
- c) reject the proposed revisions and give recommendations as to alternative revisions that it considers should be made.

Your consultation was launched on 27 September 2023 and concluded on 17 October 2023, after which you made changes to the proposed TPC reflect the feedback received from the consultation respondents. Pursuant to Special Condition 9.11.9 you submitted the necessary information to the Authority on 17 November 2023.³ Following discussion with the Authority, you made further changes to the proposed TPC. We agree that these are non-material changes and therefore do not require further consultation.

Proposed amendments to the TPC

You have proposed substantive amendments to the text of the document including:

- clarification of your compliance with Pipe-Line System Security Standards outlined in Standard Special Condition A9 of the Licence;
- commentary around the requirement for and use of compressors and the consideration of commercial solutions with regards to meeting 1-in-20 security standards;
- additional detail on the modelling and use of supply scenarios; and
- updated graphics related to supply and demand profiles.

You also proposed numerous non-substantive amendments, for example replacing “National Grid” with “National Gas Transmission” to reflect the separation of these businesses, along with formatting and minor language changes for clarity.

Our view

We consider the proposed changes to better achieve the requirements for the TPC detailed in the Licence, specifically the inclusion of detailed planning assumptions about likely developments in the patterns and level of gas supply and demand on the NTS, and about the operation of the NTS under different gas supply and demand scenarios.

We note that you have taken consultation responses into consideration and have redrafted the TPC accordingly.

Our decision

Following consideration of the documentation provided and having regard to our principal objective and statutory duties, and for the reasons set out above, we have decided to approve the version of the TPC submitted by you on 03 April 2024, pursuant to Special Condition 9.11.10 of the Licence.

Please contact joseph.glews@ofgem.gov.uk if you have any questions about this decision.

Yours sincerely,

Dr Adrian Richardson

Deputy Director of Energy Markets and Security

Signed on behalf of the Authority and authorised for that purpose.

³ The version submitted on 17 November is available here:
<https://www.nationalgas.com/document/144401/download>