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Paul Branston
Associate Partner, Gas Networks
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18th September 2015
Our Ref: 2015-09-PARCA

Dear Paul,

Withdrawal of PARCA Exit Capacity Notice (Exit Substitution & Baseline Revision)

On the 2nd September 2015 National Grid Gas plc (“National Grid”) wrote to Ofgem proposing exit capacity substitution and baseline revision. The notice was in relation to the provision of capacity for Trafford Power Station triggered by a Planning and Advanced Reservation of Capacity (PARCA) application. The customer has subsequently informed us that they will not be progressing to the next stage of the PARCA process. As there will not now be a signed PARCA contract in place to reserve capacity, we are withdrawing the Substitution and Baseline Revision Notice that we issued to you on 2nd September 2015 in relation to Trafford Power Station.

National Grid received the Planning and Advanced Reservation of Capacity Agreement (PARCA) application on 27th March 2015 from Wainstones Energy Ltd. The application requested Firm Enduring Annual NTS Exit (Flat) Capacity in excess of the prevailing baseline capacity level at the Trafford Power Station NTS exit point.

The application requested:

- 84,000,000 kWh/d at Trafford Power Station from 1st October 2018

As part of the PARCA Phase 1 and in accordance with the NTS Licence¹, substitution² of Non-incremental Obligated Exit Capacity was assessed and identified as being able to meet the Firm Enduring Annual NTS Exit (Flat) Capacity requirements in excess of the prevailing baseline NTS Exit Capacity at the Trafford Power NTS Exit Point in full.

Our substitution proposal notice was issued on 2nd September 2015 on completion of the PARCA phase 1 works. The notice was issued prior to the customer signing the PARCA contract to ensure that the customer’s delivery date of 1st October 2018 could be achieved and to ensure that we could comply with the 36 months substitution lead time.

¹ Special Condition 5G (formerly paragraph 3(c)(i) of Special Condition C8E).

² During May 2015, the Authority approved the Exit Capacity Substitution and Revision Methodology Statement (the “Methodology”) pursuant to Special Condition 9A (formerly paragraphs 4(b) and 4(c) of Special Condition C8E) of the Licence in respect of the NTS.

In our notice we noted that;

- Exit capacity would have been available for reservation from 1st October 2015.
- Capacity would only be reserved as long as no objections were raised by the Authority within 28 days of receipt of the notice and a signed PARCA contract had been received from Wainstones Energy Ltd.
- If the PARCA was terminated for any other reason than capacity being allocated, the proposed solution would not be progressed.

Our proposal to reserve capacity for the purposes of substitution was subject to the reserving party signing a PARCA contract within the 28 day following our delivery of the PARCA phase 1 output report. Following the release of the report and our substitution proposal notice, the customer has informed us that they will not be progressing to the next stage of the PARCA process. As there will not now be a signed PARCA contract in place to reserve capacity, we are withdrawing the Substitution and Baseline Revision Notice.

If you require any further information, please contact myself or Eddie Blackburn, Gas Network Capability Manager on 01926 656022.

Yours sincerely,

Craig Dyke
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National Grid