

FTAO  
Gas Systems Integration  
Energy Systems  
Office of Gas and Electricity Markets  
9 Millbank  
London  
SW1P 3GE

Paul Sullivan  
Future Networks Manager  
Gas Operations  
National Grid  
[paul.j.sullivan@nationalgrid.com](mailto:paul.j.sullivan@nationalgrid.com)  
Direct Tel: +44 (0)1926 653429

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

29th April 2019

Our Ref: 2018 – Saltholme- ExCS

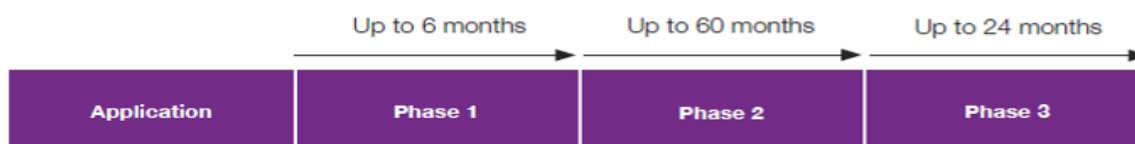
Dear Industry Colleagues,

## Saltholme ExCS Informal Notice (including exit Substitution & Baseline Revision)

National Grid Gas plc (“National Grid”) received a Planning and Advanced Reservation of Capacity Agreement (PARCA) application on 17th December 2018. The application achieved competency<sup>1</sup> on 17th December 2018. The application requested firm Enduring Annual NTS exit (Flat) Capacity<sup>2</sup> in excess of the prevailing baseline capacity level at a new exit point at Saltholme exit point. The application requested up to:

- 7,310,160 kWh/d from 1st December 2019

The PARCA application triggered Phase 1 of the PARCA process on 17th January 2019.



As part of Phase 1 works, National Grid completed network analysis to identify the most appropriate and robust solution to accommodate the capacity being requested. The Phase 1 process identified that the capacity request could be met by;

- Releasing non-obligated capacity up to the indicated value from 1st December 2019 to 30th September 2020
- Substitution of unsold exit capacity from Billingham ICI (Terra Billingham) DC and Enron Billingham DC exit points, from 1st October 2020

This informal notice signifies the end of PARCA Phase 1 and the first opportunity for industry parties to raise any concerns around the method to meet the additional capacity request in this location.

<sup>1</sup> As per Uniform Network Code, Transportation Principal Document, Section B – System Use and Capacity, para. 1.15.4.  
<sup>2</sup> Please note that this notice contains terminology relating to Exit Capacity which is used in the Licence and in the Uniform Network Code (“UNC”). Licence defined capacity terms are given in **bold italics**.

## Application for Capacity Release

### Substitution of Unsold Capacity from 1st October 2020

As part of the Phase 1 works, National Grid completed network analysis to assess what impact the capacity had on the existing network.

In accordance with the Gas Transporter Licence<sup>3</sup>, substitution<sup>4</sup> of **Non-incremental Obligated Capacity** has been assessed and identified as being able to meet the Firm Enduring Annual NTS (Flat) Capacity requirements in excess of the prevailing baseline NTS Capacity at the Saltholme exit point in full.

National Grid therefore proposes that from 1st October 2020:

- Additional Baseline NTS Capacity identified at the Saltholme exit point is met by substituting unsold NTS Baseline Capacity from Billingham ICI (Terra Billingham) and Enron Billingham DC exit points (See table below).

### Statement of proposed **Non-incremental** Capacity substitution in accordance with Special Condition 5G paragraph 6 (formerly paragraph 4(a) (iv) of Special Condition C8E) of the Licence:

<i>Recipient NTS Point</i>	<i>Donor NTS Exit Points</i>	<i>Capacity Donated (kWh/d)</i>	<i>Capacity Received (kWh/d)</i>	<i>Exchange Rate (Donor : Recipient)</i>	<i>Total Exchange Rate (Donor : Recipient)</i>
Saltholme	Billingham ICI (Terra Billingham)	3,237,148	2,920,000	1.1086:1	1.1077:1
	Enron Billingham	4,860,000	4,390,160	1.070:1	

<sup>3</sup> Special Condition 5G (formerly paragraph 3(c) (i) of Special Condition C8E).

<sup>4</sup> During October 2015, the Authority approved the Exit Capacity Substitution and Revision Methodology Statement (the "Methodology") pursuant to Special Condition 9A.

**Baseline Modification Proposal:**

<i>NTS Point</i>	<i>Type</i>	<i>Recipient / Donor</i>	<i>Current Baseline (kWh/d)</i>	<i>Proposed Baseline (kWh/d)</i>	<i>Remaining unsold capacity (kWh/d)</i>
Saltholme	DC	Recipient	0	7,310,160	0
Billingham ICI (Terra Billingham)	DC	Donor	36,881,691	33,644,543	0
Enron Billingham	DC	Donor	121,510,000	116,650,000	116,650,000

Appendix 1 provides additional information regarding the proposal to demonstrate that National Grid has determined its proposals for capacity substitution in accordance with the Methodology.

I would therefore be grateful if you could acknowledge receipt of this written proposal and the date on which it was received.

If you require any further information, please contact myself or Mark Hamling, Gas Network Capability Manager on 01926 654276.

Yours sincerely,

**Paul Sullivan**

Future Networks Manager

Gas Operations

System Operator

National Grid