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Your Reference 0103

Re: Modification Proposal 0103, Introduction of the right for the Energy Balancing Credit Committee to instruct National Grid NTS as to appropriate Recovery Steps in respect of Energy Balancing debt.

Dear Julian,

Thank you for your invitation seeking representations with respect to the above Modification Proposal.

National Grid (UK Distribution) (UKD) offers support for implementation of this Proposal which seeks to put the decision, regarding appropriate recovery steps to be taken in respect of Energy Balancing debt, within the remit of the Energy Balancing Credit Committee (EBCC). UKD agrees with the Proposer that this will enable the EBCC to more clearly demonstrate that every effort is being made to curtail the community's exposure to avoidable financial loss.

It is UKD's view that implementation of this Modification Proposal would better facilitate the Relevant Objective specified in Standard Special Condition A11.1 (f), "the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code".

UKD believes that this Proposal, if implemented, will help to remove any conflict which may be perceived to exist for National Grid (NTS) where Transportation and Energy Balancing debt exists. The Proposal also seeks to cover National Grid NTS for any losses sustained in pursuing the Energy Balancing debt under the instruction of the EBCC. UKD believes that this is appropriate.

UKD notes that the Proposal has the stated aim of "revising the provisions of X3.4.3 requiring National Grid NTS to convene a meeting of the EBCC as soon as reasonably practicable following the issue of a Termination Notice to a defaulting User." The legal text does not appear to explicitly include such a requirement. UKD believes that the wording provided for X3.4.3 is sufficient on the basis that to keep the EBCC informed and to receive direction will practically require a meeting of the EBCC to be convened. In practice UKD also understands that a meeting will already have been convened under X2.9.7.

Yours sincerely

Phil Lawton
Distribution Regulation Manager