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Dear Julian,

Urgent UNC Modification Proposal 0092: 'Provision of a Supply Point Enquiry Service for Smaller Supply Points'

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

National Grid Gas plc (UK Distribution), ("Distribution"), would like to offer support in principal for the proposal, although we believe there some issues regarding implementation that need to be addressed before we could offer unconditional support.

Background

For Larger Supply Points ("LSPs"), Annual Quantity ("AQ") information is routinely supplied to a prospective shipper if it submits a Supply Point Nomination. As such, AQ information for LSPs is widely available to competing supply-side market participants and is not classified as Protected Information under the UNC.

This is not the case for Smaller Supply Points ("SSPs"). AQ information for SSPs is not freely available as part of the nomination process (because Small Supply Point Registration is a confirmation only process,) or indeed any other UNC process. Consequently, AQ information for SSPs is classified under the UNC as Protected Information and is not issued to any supply-side participant other than the registered user.

We understand that in recent months this SSP AQ information has been made available on request through the Supply Point Information Service to prospective shippers. However, as part of a review of xoserve procedures this practice has stopped because neither the UNC nor a transporter's licence provides the necessary consents to release SSP AQ information to non-incumbent shippers.

We believe the issue that has resulted from the cessation needs to be resolved at two levels. First, there is a question of principle: should SSP AQ information be declassified as Protected Information and made available to prospective shippers. Secondly, there are issues of process: should the withdrawn facility simply be restored, or a should a new similar systematised service be implemented and how should the proposed SLA be implemented?

We are of the view that to declassify the SSP AQ as Protected Information would be in the interests of promoting competition in accordance with Standard Special Condition A11.1(d) of the transporters licence, hence, our support in principle.

Contractual Issues

Should SSP AQ information be declassified in the UNC as Protected Information? This we believe to be the pre-cursor to the implementation of a SSP information request / enquiry service. We believe this to be primarily a commercial issue between shippers and look to their lead in this respect.

Service Delivery Issues

The Supply Point Enquiry Service (UNC TPD G1.17), as specified in the proposal, would seem to be a suitable method of service delivery. Although AQ information is currently included in the information returned to the shipper for a LSP Enquiry, our provisional view is that UK-Link functionality would still need to be modified to allow SSP Enquiries to be processed. Due to timescales agreed for this consultation, it has not been possible to conduct a full impact analysis for this system modification.

The existing "phone-in" Information Service is a supply point-by-supply point interface and would be the easiest to implement. However, not being a batch process, it would not lend itself to the SLA rules set out in the proposal.

While we have a preference for an automated service, before developing a system solution we would need to carry out an assessment of predicted enquiry volumes as it could be that the existing phone-in service is the most efficient means of service delivery for limited volumes. Generally, we do not believe that individual SSP AQ is a significant issue for many shippers with diverse Supply Point portfolios and, hence, an assumption could be that volumes for this service would be manageable using the recently suspended phone-in service. However, this form of implementation would not fulfil all the requirements of the proposal.

While, we understand the specific urgency for the proposing shipper, we believe this proposal would have benefited from wider industry debate to understand industry views on the legal and practical issues originating from this detailed proposal. While the proposer suggests that initially it simply wants the previous service restoring, there are elements of the proposal that seek to develop the service and introduce additional rules over and above the suspended practice.

Relevant Objectives

On balance, we believe that implementation would be consistent with National Grid's licence obligation to secure effective competition between relevant shippers, although we would request that the Authority seek further clarification from the proposer in terms of implementation.

Accordingly, Distribution has support in principle for the proposer's view that implementation would be consistent with requirements of Standard Special Condition A11.1(d) of its gas transporter's licence. However, we believe that further work is required to agree a service delivery method that could be implemented, to the specification and to the timescales stated in the proposal, as we are mindful of our Standard Special Condition A15.3(i) obligation that requires us to ensure that Agency services and systems are developed on an economic and efficient basis.

Yours sincerely,

Phil Lawton.