

**CODE REVIEW PROPOSAL No. 0131**  
**LDZ RbD Reconciliation Notification Process**  
**Version 1.0**

**Date:** 01/02/2007

**Nature and Purpose of Proposal**

**Background**

There have been a number of very large adjustments applied through LDZ Reconciliation in recent years. The penultimate one of these reconciliations resulted in the formation of another review group to look into the notification process behind large reconciliations to provide interested parties the opportunity to discuss and resolve any issues surrounding these large reconciliations. To date this process has been followed on at least two occasions; however it is clear from the last occasion, the now widely discussed Farningham issue that this process could be more equitable and flexible.

Under the current arrangements when an LDZ RbD Reconciliation is proposed that is the greater of 50 GWh or £1m then the LDZ RbD Reconciliation Notification Process identified by Mod Review Group 0643 is followed. However this process was never incorporated into either the network or uniform network code, and so therefore has no legal authority or requirements. Further the process has never been updated to reflect the industry post DN sales, and so there is no concept of Transporters other than National Grid Transco.

It is further clear from recent experiences that the notification process as laid down in mod review proposal 643 is designed for specific circumstances and provides no flexibility to accommodate complex issues that require significant amounts of analysis and appraisal. It is therefore proposed that a work group is formed to identify the appropriateness of this notification process, the issues that need resolving and the appropriate Governance arrangements for any future notification arrangements. It is envisaged that the results of the Review Group should be to identify a notification process that is acceptable to all of the industry.

**Any further information (Optional)**

The Group is asked to consider:

1. What the Governance of any notification process should be.
2. What the trigger for the start of the notification process should be, including what event should start the notification process and what the threshold for the notification process should be.
3. Who the participants in a notification process should be, and what their rights/obligations should be.
4. Who should be responsible for facilitating and co-ordinating the notification process.
5. What form the notification process should take including duration, information provision, discussion and resolution.
6. Any other issues not identified that relate directly to the LDZ RbD Notification Process.

**Code Concerned, sections and paragraphs**

Uniform Network Code

Transportation Principal Document

**Section(s)** All sections of the UNC that are either currently, or potentially impacted by these discussions.

**Proposer's Representative**

*John Costa (EDF Energy)*

**Proposer**

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