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**Re: Modification Proposal 0226 'Additional Data Requirements for the Administration of CSEP Supply Points'**

Dear John,

Thank you for your invitation seeking representations with respect to the above Modification Proposal. As proposer, National Grid Distribution (NGD) supports its implementation.

NGD has fully participated in industry debate concerning the administration of LDZ Connected System Exit Points (CSEPs) within Review Group 0157 and latterly the Ofgem led CSEP meetings. Further, NGD has initiated a number change proposals for both the short and long term development of more robust administration arrangements encompassing amendment proposals to Annex A of the LDZ CSEP Network Exit Agreement (achieved via UNC change Governance) and high level cost/benefit evaluation of longer term options.

This Proposal is the latest in a number of Modification Proposals which seek to make *incremental* improvements to the existing regime pending the identification and implementation of an optimum longer term solution. The rationale for each of the additional data requirements advocated by this Proposal is as follows:

- **The DNO Reference / LDZ Identifier**

As highlighted within the Proposal, due to the DNO reliance on the current information flow from the iGT to initiate the DNO settlement processes, any delay or inability to process such data inevitably results in a mismatch in the periods billed for by DNOs and iGTs respectively. Such a mismatch was one of the primary frustrations expressed by Users within Review Group 0157.

Requiring the iGT to provide the DNO Reference in its communication with the DNOs agent ('the agent') aims to reduce the likelihood of the agent failing to identify the specific connection in respect of which an iGT is seeking to register a downstream Supply Point or group of Supply Points.

In the event of such a failure, the requirement for the iGT to specify the relevant LDZ identity would enable the agent to provide targeted rejection reporting to the appropriate DNO. The existing locational information mandated to be communicated is insufficient to enable identification of the relevant DNO.

The requirement for any nesting iGT (see below) to specify the lead iGT's DNO reference would enable the agent to accurately monitor aggregate registered load and to report instances where the Maximum CSEP Offtake rate is exceeded.

- **The 'nested' flag**

Subsequent to the Authority's decision not to implement Modification Proposal 0183 '*Provision of Data in respect of downstream networks by the iGT directly connected to the Distribution Network*', NGD has taken the opportunity to evaluate potential alternative arrangements in respect of 'nesting'

networks (iGTs connecting downstream from another iGT's network) which seek to ensure that DNOs obtain a full and complete picture of downstream demand from their Networks.

The incorporation of the ability for an iGT to indicate that it is 'nesting' *practically* enables nesting iGTs to issue demand data direct to the DNO's agent. However, the prevailing *contractual* arrangements applicable in respect of such demand data (specifically in terms of its communication to DNOs) are currently unclear.

NGD acknowledges that this Proposal does not seek to address this apparent anomaly; alternatively we believe that such terms should be incorporated within the iGT Uniform Network Code (UNC), a code in respect of which we are unable to directly initiate change proposals. NGD believes that the iGT UNC is the appropriate industry vehicle to contain such provisions as this would ensure transparency and from a precedent perspective, there are already a number of iGT - DNO communication requirements within this Code (for example those contained within Sections F8 and F11). NGD has explained the position within the UNC Distribution Workstream and we understand that parties to the iGT UNC are considering the suggested changes.

- **Reconciliation volume response file**

Unlike the vast majority of UK Link and other LDZ CSEP related communications, there is currently no requirement for DNOs to provide a response to the submission of a J82 (LDZ CSEP NDM LSP Reconciliation volume) file by the iGT.

To address this omission, it is proposed that Annex A of the CSEP NExA be modified to mandate the provision of such a response by the DNO.

We note that section 4b 'Development and capital cost and operating cost implications' of the Draft Modification Report specifies that implementation of the Proposal would necessitate changes to DNO systems to:

- recognise and process the additional data items within the D01 file, and
- to issue additional communications in response to the submission of a J82 reconciliation volume submission file.

We have obtained estimation ('Rough Order of Magnitude') of the costs (to National Grid) of such changes which are in the region of £30,000 to £60,000.

Overall, we believe that enhancing the data flows as described would result in a higher degree of harmony between the periods and volumes for which a User is invoiced for by DNOs and iGTs and to this extent can therefore be expected to facilitate Standard Special Condition A11.1 (f) of the GT Licence: so far as is consistent with subparagraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code. Further, as a consequence of implementation, we would anticipate that charges incurred by Users would be more reflective of the consumption at Meter Points for which they are the Registered User and would therefore better facilitate the relevant objective of facilitating competition between relevant suppliers and relevant shippers (Standard Special Condition A11.1(d)).

Please contact Chris Warner on 01926 653541 (chris.warner@uk.ngrid.com) should you require any further information with respect to the above.

Yours sincerely

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