

Paul O'Donovan
Ofgem
9 Millbank
London
SW1P 3GE

20 August 2010

Dear Paul,

RE – Consultation on “relevant points” of a transmission system for the purposes of Article 6(4) Gas Regulation (EC) No 1775/2005

British Gas Trading is pleased to respond to this consultation on behalf of the Centrica Group of companies excluding Centrica Storage.

We agree with the aim of ensuring consistent minimum standards of information provision across the EU and that National Grid's transmission system in Great Britain should conform with these standards.

However, we would be concerned if, as a result of this consultation (and the expected further consultation), a requirement for more detailed information provision were to be specified than is necessary. Therefore, the identification of relevant points should be based on the EU Guidelines only and not on any existing information provision which might provide more detail (e.g. entry sub-terminals should not be regarded as relevant points but Aggregate System Entry Points should). That is not to say that less information should be provided as a result of identifying the relevant points, but that the identification of relevant points, as a result of the Ofgem consultations, needs to be objective and referable to the EU Guidelines.

We propose that relevant points should include:

- Aggregate System Entry Points;
- NTS/LDZ Offtakes;
- Interconnector Points;
- LNG points; and
- Storage Points.

We further propose that the following should not be identified as relevant points:

- NTS sites/ direct connects.

Our rationale is as follows:

- On the basis of Guideline (a) we would expect all Aggregate System Entry Points (ASEPs) to be treated as relevant points as these clearly, as the definition implies, relate to system entry

points and are treated as single entry points for various requirements set out in the Uniform Network Code.

- Guideline (b) suggests to us that all NTS/LDZ Offtakes be regarded as relevant points as they at least fall into the category of “most important exit points” and most likely cover more than 50% of total exit capacity. In the absence of any information on the technical capacity of the NTS we cannot make any quantitative assessment of the 50% and 2% rules but we do not believe that any other exit points, in particular NTS sites or direct connects, should be regarded as relevant points under this particular Guideline.
- Guidelines (c) and (e) could possibly require interconnector points to be viewed as relevant points whilst Guideline (d) essentially states that LNG terminals also be included.
- If gas storage can be regarded as an ancillary service then “storage points” ought to be included as relevant points. However, we note in the list of possible relevant points appended to the consultation that separate entry and exit points appear to be in place for storage so the concept of a “storage point” is not entirely clear to us.

We recommend that the starting point for identifying the relevant points be National Grid’s statement of Gas Transmission Charges where categorisation of system points, along the lines we have described above, is made.

Yours sincerely,

Graham Jack
Commercial Manager