

Dena Barasi
Electricity Transmission Policy
Ofgem
9 Milbank
London
SW1P 3GE

Paul Whittaker
UK Director of Regulation

paul.whittaker@uk.ngrid.com
Direct tel +44 (0)1926 653190
Direct fax +44 (0)1926 656520

www.nationalgrid.com

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Dear Dena

Impact Assessment on RWE proposal P229 – seasonal zonal transmission losses scheme consultation response:

Thank you for the opportunity to provide comments on the impacts of P229 Proposed and Alternative modifications.

This response is provided on behalf of National Grid which owns and operates the high voltage electricity transmission system in England and Wales and, as National Electricity Transmission System Operator (NETSO), operates the Scottish high voltage and offshore transmission system. National Grid also owns and operates the gas transmission system throughout Great Britain and through our low pressure gas distribution business we distribute gas in the heart of England to approximately eleven million offices, schools and homes. In addition, National Grid owns and operates significant electricity and gas assets in the US, operating in the states of New England and New York.

In the UK, our primary duties under the Electricity and Gas Acts are to develop and maintain efficient and economical systems and also facilitate competition in the generation and supply of electricity and the shipping and supply of gas. Our activities include the residual balancing in close to real time of the electricity and gas markets.

Through our subsidiaries, National Grid also owns and maintains around 18 million domestic and commercial meters, the electricity Interconnector between England and France, the electricity Interconnector between England and the Netherlands and a Liquefied Natural Gas importation terminal at the Isle of Grain. We have also formed National Grid Carbon Limited which is a wholly owned subsidiary advancing the transportation and storage elements of the Carbon Capture and Storage (CCS) supply chain.

We have addressed the response to the consultation questions in the Appendix to this letter. If you wish to discuss this further, or have any queries regarding this response, please contact me or Mark Ripley on 01926 654928 (mark.g.ripley@uk.ngrid.com).

Yours sincerely

[By e-mail]

Paul Whittaker
UK Director of Regulation

Appendix 1

Chapter: Four

Question 1: Do respondents consider that we have appropriately identified and where possible quantified the impacts of P229 Proposed and Alternative?

Yes. Given the previous work undertaken on transmission losses and the subsequent understanding gained on the impact upon suppliers from such a change, we believe that the impacts have been appropriately identified and where possible quantified. We do believe there will also be a material impact on the Transmission losses incentive as a result of the introduction of P229 Proposed or Alternative.

Question 2: Do respondents consider that there are additional impacts which we should take into account in the decision making process and, if so, what are these?

No, we are not aware of any additional impacts which should be taken into account in the decision making process at this stage.

Chapter: Five

Question 1: Do respondents consider that we have appropriately identified the potential interactions of the P229 proposals with TransmiT and the EMR?

Yes, we agree that the potential interactions between P229 proposals and TransmiT have been identified. However, we agree that this may need further consideration as both TransmiT and EMR develop.

Question 2: Do respondents consider that we have appropriately identified the likely impacts of these interactions?

Yes, we agree that the likely impact from the introduction of either P229 Proposed or Alternative against the current proposals being discussed under Project TransmiT are likely to be low or have no impact at all.