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Our Reference NG/LAD

Dear Gareth,

Response to “Forward Work Programme 2014-15”

National Grid continues to find Ofgem’s annual work programme to be an informative and useful document which helps us plan the participation of our businesses in future regulatory discourse. We therefore welcome the opportunity to be able to comment upon the draft.

Although the work plan does not provide granular detail about the availability of Ofgem resources for the key projects and activities mentioned, we are reassured that Ofgem highlights the importance of various ongoing tasks. In particular, we agree that Ofgem’s participation in European codes and market development is very important and we suspect that work loads will remain high due to the need for modifications to the new codes, especially over the next couple of years. As well as the availability of Ofgem’s own resources, Ofgem must also consider industry resource implications from the interactions between EU developments and ongoing GB market developments.

We agree that there are important interactions between various parts of Ofgem’s key projects. As well as the interactions between the electricity and gas significant code reviews with European developments and EMR, there are obvious interactions between the gas and electricity markets in GB which need to be addressed in the sequence of SCR implementation actions in which our system operator functions will participate.

As part of the work ensuring sufficient coordination of network development (for example, ITPR, interconnector regulatory frameworks and SWW) we would also highlight the issue of ensuring sufficient flexibility in the gas transmission network as a related topic. Also, the upcoming reset of the gas and electricity system operator incentive schemes offer opportunities for developments

that would be helpful in these areas. We look forward for discussions on these interactive issues as your work programme progresses.

We welcome Ofgem's approach of seeking to ensure projects which may be subject to developing policy are able to progress on a transitional policy basis and look forward to seeing a satisfactory conclusion to the regulatory framework for Project Nemo.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L A Dale'.

Lewis Dale

Cc: Paul Whittaker