

8th May 2015

RE: BBL consultation on CAM and CMP Concept Document

Dear Sir / Madam,

Thank you for the opportunity to respond to this consultation. This is a non-confidential response, which represents the view of the Centrica group of companies, excluding Centrica Storage.

Our comments / questions on the document are as follows:

- On the whole the proposals appear sensible and are generally consistent with those already established by National Grid NTS. Whilst we welcome this approach, earlier engagement would have been appreciated to allow further time for discussion before the 1st November 2015 deadline for implementation.
- There are some outstanding issues which have not been covered in this consultation and we ask BBL to consult on these at the earliest opportunity. Users require visibility over other aspects of CMP such as Long Term Use it or Lose it (LTUIOLI) measurement rules which should already have been developed. Furthermore, it is important that the detail surrounding the reimbursement mechanism for (forced) capacity buy-back¹ is developed in conjunction with industry.
- We would welcome more clarity on the proposals for Interruptible Reverse Flow (IRF). For example, what level of technical capacity is made available at the Julianadorp entry point to support the IRF product? It is referenced on page 17 but it is not clear how much will be offered. Also, will IRF capacity require bundling?
- BBLC is only proposing to offer day-ahead interruptible capacity once all firm capacity has been sold. We would welcome BBL offering a discretionary day-ahead product, regardless of whether all firm capacity has been sold out. This would be consistent with the arrangements that National Grid has introduced in GB.
- The consultation states that BBL is planning to offer an Operational Balancing Account (OBA) "by the end of 2015"². However, our understanding is that National Grid is aiming for 1 October 2015 implementation of OBAs and we would welcome consistency in this area.

¹ 3rd Paragraph, P26

² 4th Paragraph, P19

- The consultation states that “unused capacity will be reallocated”³ in circumstances where all firm capacity has been sold out and there is contractual congestion. This is not an accurate representation of the CMP legislation. Rather, it may be reallocated but this will be subject to NRA scrutiny of the circumstances.
- As a general point, we have some concerns over shippers’ apparent lack of ability to make changes to the rules embedded in the PRISMA functionality and we would welcome BBL’s views on this. This issue was presented by ourselves during the development of UNC modification 500 (introduction of CAM and CMP) and generally recognised as an issue amongst stakeholders.
- The consultation states⁴ that under certain circumstances, BBL may unbundle previously bundled capacity. Whilst we understand that the CMP rules provide for this, we would welcome additional guidance that would require TSOs to ensure that any residual unbundled capacity is taken back by them and is no longer the responsibility of shippers.

We hope you find these comments useful. Please do not hesitate to contact me (email: ricky.hill@centrica.com; Tel: +44(0)7789579169) should you have questions on any aspect of this response.

Yours sincerely,
Ricky Hill
Regulatory Manager

³ 2nd Paragraph, P23
⁴ Last paragraph, p26