

March 2009 Slidepack

A decorative graphic consisting of several overlapping, semi-transparent diamond shapes in shades of blue, arranged in a pattern that suggests a grid or network structure.

nationalgrid

The power of action.™

Agenda

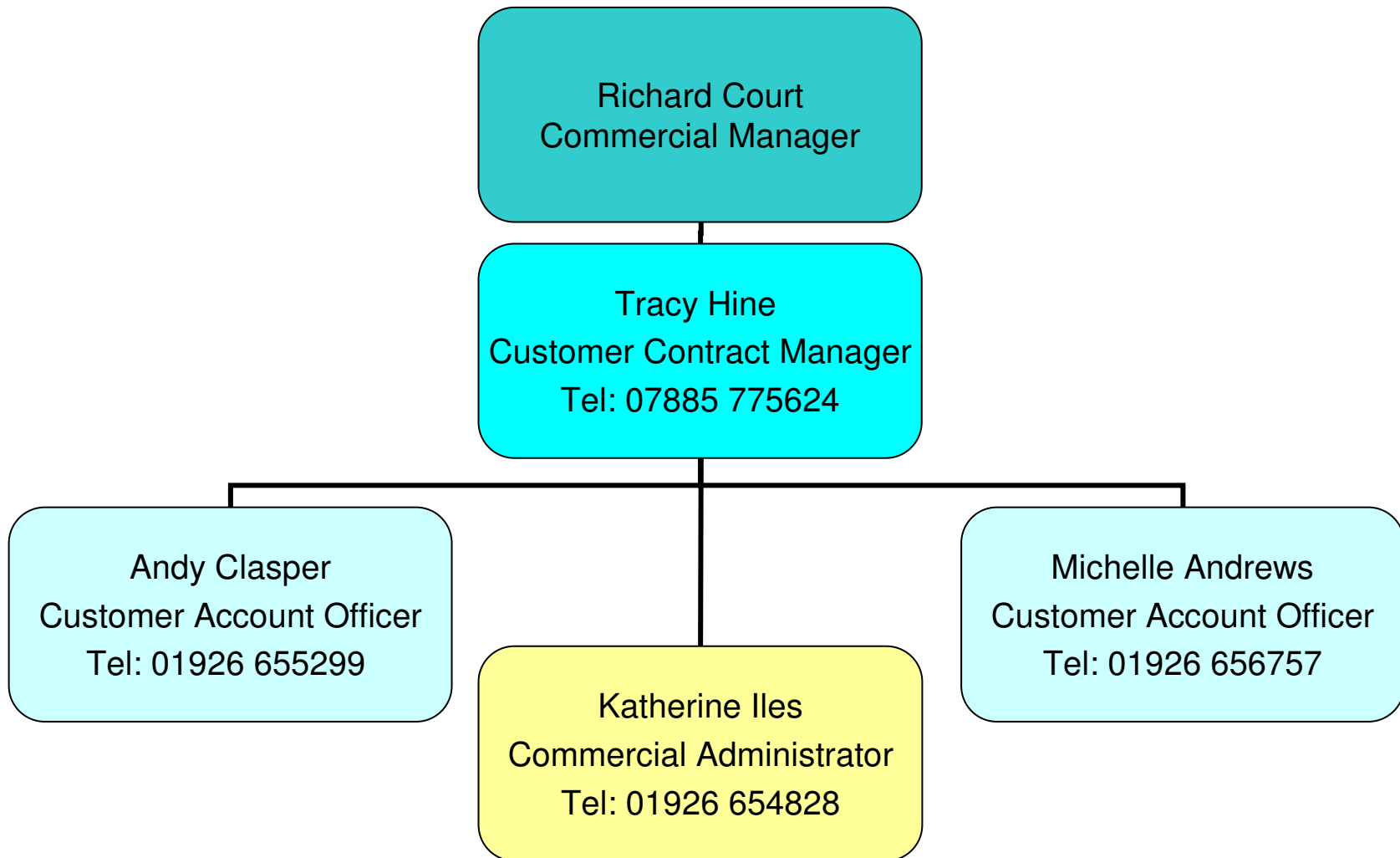
- ◆ National Grid update
 - Strategic Relationship team
 - Customer Service week – Shipper day

- ◆ Industry Matters
 - Shipper Survey
 - Pricing Update
 - DN Interruption
 - Exercise Prelude
 - Network Extensions for the Fuel Poor
 - Somsa update
 - Rossendale
 - Project Nexus

- ◆ Consultations & UNC modifications

National Grid update

Strategic Relationship Team



Shipper day - 24th October 2008

- ◆ Shipper day held at Hinckley Operational Centre
 - National Grid structure presentation and overview of Strategic Relationship
 - Contact centre presentation followed by tour
 - Exercise Prelude presentation
 - Shipper Survey presentation
 - Tour of Gas Distribution National Control Centre (DNCC)

- ◆ Very well received by participants on the day

- ◆ Further day will be planned dependant on demand
 - Contact a member of Strategic Relationship Team if you are interested in attending a future event

Industry Matters

2009 Shipper Survey

- ◆ Revised Annual Shipper Survey process commenced March 2008
 - 11 shippers took part in the 2008 survey
 - Average score improved to 3.78 from 3.26 (July 2007 Survey)
- ◆ 6 month summary report sent out December 2008
 - Evaluate progress on actions agreed within the business
 - Can be viewed on Shipper webpage
- ◆ 2009 survey (5th) to follow same successful format
- ◆ 2009 Shipper survey timeline
 - meetings to be scheduled – Jan/Feb
 - Face to face survey meetings completed in Q1
 - Results reviewed /business feedback in Q2
 - Shipper report produced and disseminated by end May
- ◆ Continued support and feedback for the 2009 survey appreciated

Gas Distribution Transportation Charges

April 2009

Definitive LDZ Transportation Charges, applicable from 1st April 2009, were published on 30th January

Table 1. Changes in Distribution Transportation Charges - Effective 1st April 2009

Distribution Network	East Of England	London	North West	West Midlands
Domestic Loads	-14.4%	10.3%	-3.0%	7.1%
I&C Loads	-16.6% to -17.4%	5.7% to 6.7%	-6.0% to -6.7%	2.8% to 3.6%
Average Change	-14.9%	9.4%	-3.6%	6.3%

- ◆ Percentage changes are based on year to year revenue differences in aggregate and percentage changes between the customer and system charges (unit rate changes) differ from those given.

Table 2. Typical Annual Domestic Distribution Transportation Charge

Network	From Apr - 09	Assumes AQ of 18500 kWh/a & SOQ based on EUC 801B load factors
West Midlands	£118.52	
East of England	£109.55	
London	£126.82	
North West	£109.63	

DN Interruption

- Ad-hoc tender
 - Tender results published 21 November
 - 22 bids received for 9 supply points across 8 (out of 29) Locations
 - Bids accepted for 2 Supply points in 2 Locations
 - EM – Scunthorpe
 - NW – Barrow HP
- Overall 2008 tender results
 - Bids received for 17 of the 29 locations
 - A total of 70 bids tendered
 - 7 bids accepted
 - Majority of rejected bids too expensive relative to alternative costs
- 2009 tender process
 - Main agenda item for discussion at Gas Customer Forum 27 March 2009
 - Bid window 1 to 12 June 2009

Emergency Exercise Prelude 5th/6th November

- Exercise took place on 5th and 6th November
- Prelude tested the effectiveness of an industry response to an NGSE and the wider industry emergency procedures
- Firm Load Shedding element tested
 - Shipper provided emergency contact details
 - Ability of consumers to cease gas usage
 - DN's ability to deliver isolation
- Result summary
 - 250 sites per LDZ >25000tpa were contacted by phone
 - 55.5% of sites could stop using gas (improvement of 5% over Opus)
 - 12% of sites unable to cease usage (improvement of 9% on Opus)
 - 33% of sites non contactable (deterioration of 4% on Opus)
- HSE on site to observe
- Report now available on HSE website
 - <http://www.hse.gov.uk/gas/supply/prelude-report.pdf>

Emergency Exercise Prelude

Area	Site	Could turn off		Unable to Cease		Contactable		Non Contactable	
		No.	%	No.	%	No.	%	No.	%
East Anglia	250	116	46.40%	45	18.00%	161	64.40%	89	35.60%
West Mids	250	139	55.60%	43	17.20%	182	72.80%	68	27.20%
North West	250	143	57.20%	55	22.00%	198	79.20%	52	20.80%
East Mids	250	160	64.00%	2	0.80%	162	64.80%	88	35.20%
London	250	136	54.40%	1	0.40%	137	54.80%	113	45.20%
Total	1250	694	55.52%	146	11.68%	840	67.20%	410	32.80%

Of the 840 sites that were contactable, 694 could cease gas usage which equates to 82.6%.

This is an improvement on Exercise Opus in which 70% of sites contacted could cease usage.

	No.sites		Successful		Unable to cease		Non-contactable	
	no.	%	no.	%	no.	%	no.	%
Shipper A	25	21	84.0%	1	4.0%	3	12.0%	
Shipper B	21	15	71.4%	2	9.5%	4	19.0%	
Shipper C	3	2	66.7%	0	0.0%	1	33.3%	
Shipper D	47	31	66.0%	2	4.3%	14	29.8%	
Shipper E	188	118	62.8%	19	10.1%	51	27.1%	
Shipper F	184	111	60.3%	17	9.2%	56	30.4%	
Shipper G	153	89	58.2%	9	5.9%	55	35.9%	
Shipper H	219	126	57.5%	33	15.1%	60	27.4%	
Shipper I	16	9	56.3%	2	12.5%	5	31.3%	
Shipper J	2	1	50.0%	0	0.0%	1	50.0%	
Shipper K	23	11	47.8%	1	4.3%	11	47.8%	
Shipper L	159	71	44.7%	24	15.1%	64	40.3%	
Shipper M	50	22	44.0%	5	10.0%	23	46.0%	
Shipper N	48	21	43.8%	14	29.2%	13	27.1%	
Shipper O	111	46	41.4%	17	15.3%	48	43.2%	
Shipper P	1	0	0.0%	0	0.0%	1	100.0%	

Please contact a member of the Strategic Relationship team to find out your shipper letter

Network Extensions for the Fuel Poor

- ◆ Government/Ofgem challenge to GDNs to contribute to the alleviation of fuel poverty

- ◆ 3 phase approach
 - Scope/project identification
 - Non gas communities and one-off gas connections
 - Approximately 5000 properties to be assisted
 - Piloting suitable trial projects
 - Stoke
 - Roll out on a comprehensive basis

- ◆ Setting up of a Community Interest Company
 - Building on the excellent work done by Affordable Warmth Program
 - Partnering Funding Providers i.e. Suppliers with Carbon Emissions Reduction Targets

Somsa Exit

...progress

First milestone achieved as SGN staff begin operating from own control centre at Horley on 21 October

National Grid and iDNs (including SGN) now working collaboratively towards SOMSA exit for remaining iDN's

Migration expectations:

- NGN in summer 2009
- WWU in autumn 2009
- *NB. Each migration will be subject to gaining safety case acceptance from the HSE and in completing training and system development work*

Immediately following their migration, each network will still be using a number of National Grid systems, particularly SC2004 which is used to pass industry information to Transmission and suppliers

The migration process should not have any impact on third parties with the exception of Transmission who are involved in modifying their systems as appropriate

Rossendale incident – 22nd December 2008

- ◆ Supply to approximately 18,000 customers cut off due to safety implications caused by fire on an MP gas main on 22nd Dec
- ◆ Incident team set up immediately and mobile incident unit sent to the location
- ◆ Damaged main repaired and gassed up by afternoon of 23rd
- ◆ More than 200 Engineers from across the country attended in an effort to connect all customers as quickly as possible
- ◆ All properties visited by end of 24th December
 - Team of engineers remained on site over Christmas
- ◆ Compensation payments currently being processed
- ◆ Investigation to take place to establish cause

Project Nexus

- ◆ Xoserve consultation to engage industry review of UK Link and supporting systems
- ◆ Nexus Industry event held on 26th November 2008
- ◆ Stage 3 Consultation document published November 2008
 - Representation close out on 16th January

Recent Consultations and UNC Modifications

◆ Energy Mods

194/194a Framework for correct apportionment of NDM error

228/228a Correct Apportionment of NDM Error - Energy

229 Mechanism for correct apportionment of unidentified gas

232 Allocation of Unidentified Gas via the Distribution Networks Charges

◆ 195/195av Introduction of Enduring NTS Exit Capacity Arrangements

◆ 213 Introduction of User Pays Governance Arrangements into the UNC

◆ 218 Amendment to the base period used to define Seasonal Normal weather

◆ 224 Facilitating the use of AMR in the Daily Metered Elective Regime

◆ 226 Additional Data Requirements for the Administration of CSEP Supply Points

◆ 227 Implementation of an Industry AMR database to facilitate the change of supply process