

SO Incentives Consultation

SO Incentives Consultation Process

Ofgem's open letter (1 Nov) explained change in gas and electricity incentives consultation process this year

- ◆ Ofgem has already consulted on 'Initial Thoughts' in August
- ◆ Trialling National Grid consulting on its own "Initial Proposals" in December
- ◆ Ofgem will consult on 'Final Proposals' in February

Consultation Scope - Gas

- ◆ Consultation will put forward proposals for the following 'shallow' gas incentives
 - ◆ System Balancing – NTS Shrinkage
 - ◆ System Balancing – Operating Margins
 - ◆ Residual Balancing
 - ◆ Demand Forecasting
 - ◆ Information Systems
- ◆ To apply from 1st April 2008

'Initial Proposals' Process

- ◆ Consultation issued 7th December 2007
- ◆ Industry workshop 10th January 2008
 - ◆ Covers gas and electricity proposals
 - ◆ Opportunity for industry engagement
- ◆ Consultation closes – 25th January 2008

We are keen to get industry engagement
and input into this process

Consultation and supporting information will be published at

<http://www.nationalgrid.com/uk/Gas/soincentives/>

Register for workshop by emailing Bea.Ennim@uk.ngrid.com