

**Proposed revisions to the Procurement Guidelines and Balancing Principles Statement**

**A Report by National Grid  
March 2006**

**Summary**

This document is prepared in accordance with Transmission Licence Standard Condition C16. It reports upon the outcome of the consultation process undertaken by National Grid with Industry Parties in relation to changes to the Procurement Guidelines (PGs) and the Balancing Principles Statement (BPS). The changes consulted upon covered:

- 1) Informal PGs Annual Review & Annual BPS Review; and
- 2) Housekeeping changes.

The consultation was for a period of 28 days and was structured in such a way that the changes to the C16 documents were considered on an issue by issue basis. The Authority is thus able to consider and approve or reject the changes to licence documentation on both an issue basis and individual document basis.

One change marked copy of the PGs against version 5.0 and one change marked copy of the BPS against version 5.0 are attached to this report in Appendices B and C respectively. The changes contained in these Appendices reflect all of the changes consulted on and National Grid recommends to the Authority that they be approved.

**Appendices**

The appendices attached to this document are detailed below:

- |            |   |
|------------|---|
| Appendix A | Copy of the C16 consultation document, published by National Grid on 2 February 2006; |
| Appendix B | Change marked version of the PGs with all recommended amendments highlighted;         |
| Appendix C | Change marked version of the BPS with all recommended amendments highlighted;         |
| Appendix D | Copy of the response received as part of the consultation.                            |

## **Representations Received**

One response to the consultation was received from Scottish and Southern Energy and on behalf of four other parties (Southern Electric, Keadby Generation Ltd, Medway Power Ltd and SSE Energy Supply Ltd).

A copy of this response to the consultation is attached to this report and can be found in Appendix D.

## **Summary of Responses Received**

Scottish and Southern Energy agreed with National Grid's proposed changes to the PG's and the BPS.

## **Summary Recommendation to the Authority and Associated Timescales**

National Grid recommends that the Authority approve the revised version 6.0 of the PGs and version 6.0 of the BPS attached to this report as Appendices B & C respectively to become effective five business days following an Authority decision.