

0592 - Separation of National Grid Transmission and Distribution owned networks - Transitional invoicing arrangements

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- Background

- UNC Modification 0582S raised to facilitate separation of Distribution business from National Grid Gas Plc (NGG)
- UNC Modification 0585 raised to address Credit Management implications of separation

Why is further UNC Modification necessary?

- Subsequently identified that contingency arrangements are necessary to facilitate Transportation Charge invoicing arrangements for a transitional period following the 'hive across' of National Grid's Distribution networks
- Unlikely to be possible to expedite systems changes to separate/target Transportation Invoices in respect of NGG and NGGD in time for 'hive-across' on 1st October 2016
- Contingency measure therefore necessary in period after 1st October 2016 pending conclusion of analysis in Xoserve and facilitation of change
- Expected to be between 2 – 4 months in duration (from 1st October 2016)



- Solution

- Permit NGG to issue Transportation Charge invoices in respect of NGGD's networks for an interim period
- NGGD to appoint NGG as its trustee and paying agent for the purposes of Transportation Charges invoiced by NGG and which relate to the NGGD owned distribution networks
- NGG and NGGD will implement internal measures to reallocate charges and income
- 10 Business Days notice will be provided to Shipper Users of cessation of these arrangements

- Additional information

- While not part of this Modification NGGD will work closely with the industry in respect of developing and implementing enduring Transportation Invoicing arrangements for NGGD



- Proposed next steps

- Self governance procedures requested
 - No material impact on Shipper Users or Consumers
- Discussion for one meeting of UNC Distribution and Transmission Workgroups (consistent with other NGG sale related Modifications)
- Report to August 2016 UNC Modification Panel