

Responses to CAM Network Code – stakeholder support process

Consultation Response Sheet

Please complete the fields below and send via email using the subject title, “Response to the CAM NC consultation” to info@entsog.eu by 13 February 2012.

Name

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Organisation

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Countries in which your organisation operates: capacity in UK, Belgium, the Netherlands, Germany

How would you describe your organisation?

	Association	(please specify type)
X	End user	
X	Network user	
X	Trader	
X	Other	(please specify) producer

Question 1: Do you consider that the network code development process carried out by ENTSOG was appropriate, given the boundaries of the framework guideline? In particular, was the level of stakeholder engagement appropriate? If there is room for improvement, please inform us about possible suggestions for improvement.

Yes X	No
<p>Comments:</p> <p>The ENTSOG CAM network code development process was overall appropriate and very well run. The ENTSOG CAM team should be congratulated on the level of transparency and pro-active stakeholder engagement and the process should be used as the basis for future code development.</p> <p>Greater participation from the European Commission and ACER would have been beneficial, especially in the earlier sessions. The linkages of CAM with other codes would ideally have also been discussed earlier in the process.</p> <p>Whilst the fact that ENTSOG has incorporated changes based on stakeholder feedback in the final CAM code shows that ENTSOG has been listening to the views of network users, changes should not be based simply on the number of votes for and against a policy option.</p>	

Question 2: Following the EC request to shift the day-ahead auction to the afternoon D-1, please indicate whether a day-ahead auction held from 16.30-18.00 local time in central Europe can be supported (see section 4.7 of the CAM NC).

Yes X subject to the comments below	No
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If no, please give brief reasons and state how to consider this issue:

Whilst Centrica does not support restriction of renomination rights, if this measure is used, renomination rights should be restricted as late in the day as possible.

The proposed auction timings would result in the results for day-ahead capacity being released before the day-ahead market had closed (based on current timings for day-ahead trading.) We suggest that nomination times are kept as suggested, but that ENTSOG aims to bring forward the day-ahead auction results by shortening the bidding window and the time take to process the results.

Question 3: Please complete the table below, indicating whether you support the relevant sections of the CAM NC, having regard to the process carried out and ENTSOG's aim to reflect the views of the majority of users during the development process.

Section	1-2: Rationale and Application	3: Principles of co-operation	4: Allocation of firm capacity ¹	5: Cross-border capacity
Support	X	X	X subject to comments below	
Do not support				X

Section	6: Interruptible capacity	7: Tariffs	8: Booking platforms	9-11: Legal provisions
Support	X	X	X	X
Do not support				

¹ Please consider article 4 except the day-ahead suggestion which is tackled already above.

Please provide brief reasoning for your responses, if you wish

4 Allocation of firm capacity – Centrica would have preferred that ENTSOG retain the original auction scheme based on quarterly products. This would allow network users to profile their long term bookings.

5 Cross-border capacity – Centrica can see the benefits in TSOs offering bundled capacity for new-bookings with shippers being able to bundle any existing un-matched capacity holdings on a voluntary basis. However, we do not support mandatory bundling of existing capacity. Network users should not be financially disadvantaged by being forced to buy capacity that they do not want.

If legal challenges are raised by some companies to mandatory bundling of existing contracts this could create considerable market and regulatory uncertainty for all stakeholders and delay implementation of the positive aspects of this and other Network Codes and EU Guidelines.

7 Tariffs – Centrica supports the use of a Reserve Price in all auctions of firm and interruptible capacity, including for daily products. Based on recent problems caused by TSO under-recovery as in the British and German markets Centrica share's ENTSOG's view that daily prices should not be based on Short Run Marginal Cost.